



# Relationship between Business Model Canvas and Business Strategy

An Investigation on How Strategic Elements Can Be Incorporated to support Start-ups' Growth

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## ABSTRACT

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The assignment is concentrated on finding gaps and links between Business Model Canvas and business strategy. The Business Model Canvas is geared towards start-ups / entrepreneurs. It is the starting point when a business is to be founded. Surveys have shown that start-ups have difficulties with the growth of the operational business in the first years. Notably, when all necessary resources and activities were previously considered with the assistance of the Business Model Canvas. The purpose of this research is to expose why the operational business is blocked. In addition, a way to integrate the business strategy into the Business Model Canvas was sought.

The research was initiated to understand the difference between Business Model Canvas and business strategy. Since business strategy has a strong connection to strategic management, it was continued to look at this in-depth as well. Qualitative research was the dominant method to gain and collect distinct data. It was mainly based on literature from experts in business and strategy. In addition, videos and blogs were taken into account as well to collect a thorough understanding. Several models provided a comprehensive knowledge of how strategy is taking place from the theoretical perspective.

Interesting insights were gained by the usage of questionnaires. Based on the findings and while studying the Business Model Canvas in-depth, further strategic elements were implemented. Application of a testing phase exposed, on the one hand, that the optimized canvas is applied effortlessly. On the other hand, it was tested if a vision can be truly formulated as it was discovered in the prior survey. Thereby longer discussions were conducted about the importance and meaning of a vision in the start-up scene. It was revealed that a mission was preferred rather than a vision.

Through the research, it was shown a relationship exists between Business Model Canvas and strategy. In addition, implementation of further strategic elements is providing a solid framework. Sophisticated questions and new categories lead users to think thoroughly about the idea. While next steps are derived from that, proper business strategies can be defined as well as circumstances better overcome, especially in the beginning phase of business.

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Keywords: business model, business model canvas, strategy, start-up, business strategy, strategic management

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**ABBREVIATIONS**

BMC	Business Model Canvas
B2B	Business to Business
B2C	Business to Consumer
CEO	Chief Executive Officer
SWOT	Strengths, Weaknesses, Opportunities, Threats
VP	Value Proposition

## 1 INTRODUCTION

The Business Model Canvas (BMC) has been acknowledged as a crucial starting point when a business is found. The BMC was revolutionized in 2005 by Alexander Osterwalder (AlexOsterwalder 2021). It is the most popular business canvas model (Risto et al. 2019, 5). It was shaped into a one-pager canvas. Inside the canvas are summarized relevant aspects of the entire company. It is seen as a framework. Start-ups are enabled to shape their business while filling out the canvas. Aspects such as cost structure, and value proposition have to be prepared. Once the canvas is filled out, the model provides the sense that the business is going to take off. Nonetheless, the opposite has been experienced by several start-ups as was depicted by surveys, like PWC (2020) and European Commission (2020).

Surveys have been notably highlighted that beyond the start-up scene are similar issues. Start-ups are faced with, for example, further financial support, product improvement, and marketing (PWC 2020, 14–16). Problems in operational business that are hindered to continue to grow gradually. The question appears whether the BMC has been misunderstood or is being utilized wrongly. Perhaps, among the model, there is relevant information hidden from the users.

Several experts and investors often point out that a vision is required (Digital kompakt Business Building 2021, 10:27–16:45). A vision is a dream. A dream that depicts what the company is driven to accomplish—its purpose. (Lynch 2000, 443–445.) Strategies and action plans can be derived since the vision is aimed to become true (Mintzberg 1994, 209–210; 293). Therefore, strategic planning is necessary (Mintzberg 1994; Bowman & Ash 1987). Allows the implementation of a vision and strategy in the BMC that start-up's issues can be solved? Or is strategic planning sufficient that the current obstacle can be overcome?

This thesis was initiated to study thoroughly the concept of the BMC as well as a business strategy. Suggestions were developed for a possible approach to how business model concepts and business strategies can be forged into one.

## 2 THESIS PLAN

A thesis plan is needed to convey a brief overview of how the entire thesis was created. Aside from objectives and purpose, sub-questions shaped the framework so that the suggestions for combining business model and business strategy were successfully developed.

### 2.1 Thesis topic

The thesis is developed for start-ups who have already established their own business and for people who, on the one hand, have currently been planning in doing so and, on the other hand, are aiming to found an enterprise in the future. Bringing a simple idea into a business requires a lot of patience, effort, and sacrifices. At the starting point when an idea shall be transferred into business a business model concept has to be drafted. The canvas illustrates what is considered and has to be analyzed thoroughly. According to surveys (PWC 2020), among the start-up scene, different problems have to be solved. Most of them are related to the product / service as well to the internal resources.

While working with and for but also encountering many start-ups within the last three years, it was recognized that a clear vision is missing. In several books, it is still highlighted how beneficial a strategy is (Lynch 2000; Mintzberg 1994; Watson 1993). In being capable that the start-ups' issues can be tackled on the operational level, an in-depth investigation of the BMC and business strategy was initiated. Accordingly, the title for the thesis was:

Relationship between business model canvas and business strategy.

Besides, the BMC is intended to provide startups with a more solid basis for not failing in the early stages, but also to enhance their decision-making to find appropriate measures for problems and further growth. For this reason, it was additionally investigated to find suitable strategic elements, especially on the business level, which can be implemented in the BMC. It is aimed at providing a path for



gradual growth while reducing the risk of suddenly disappearing from the market. Hence subtitle was selected as the following:

An investigation on how strategic elements can be incorporated to support start-ups' growth.

## **2.2 Thesis objective**

The objective of this thesis is to explore the understanding of the BMC. Notably, it is essential to identify how the BMC is understood and used by the start-ups. Examining, on the one hand, the benefits of a strategy and vision and on the other hand, whether start-ups have a vision and strategy at all, assists to find suitable proposals on how general elements of business strategy and business model can be matched. Sub-questions are specified for the thesis. Apart from providing a thorough understanding, these also allow the business model can be refined. Furthermore, this ensures that business strategies can be incorporated as well at the end. The below-listed questions were targeted:

- What is a strategy in general?
- What are the differences between business model canvas and business strategy?
- Which models, techniques and strategic elements can be used so that next steps can be derived by the business model canvas?

## **2.3 Concept and theory**

Based on the sub-questions, concept and theory are concentrated on BMC, strategy, vision, business strategy, and ultimately strategic management. Meaning and the overall definition are explained and shaped the basis of the framework. Therefore, qualitative research was the dominant method that was applied. It is linked with analyzing theoretical models. Those were created by Henry Mintzberg or Michael Porter, for instance. Besides podcasts and some videos on Youtube were also listened to and watched. Related to strategy, know-how was already

generated, due to a prior education in marketing and working experiences. Likewise with start-ups. Avoiding that topic and sub-questions are viewed from a different direction it is even more essential that methodologies are used. The gained knowledge allows a better understanding of the importance and meaning.

Both perspectives—positive and negative—were studied carefully and analyzed critically. This is particularly necessary for the main part. The main part is focused on the BMC and business strategy and how this can be combined into one. The aim is not that start-ups are enabled to define a strategy when the business idea was conceptually described for the first time. It is more aimed that start-ups can determine their next step effortlessly when parts of strategy or vision are entailed. It is seemed as relatively supportive to consider strategic management/planning as well.

This thesis is not devoted to a specific commissioner, nor is the author running a business of its own. It is rather dedicated to the entire start-up scene and to those who want to found a start-up in the future. Therefore, a collaboration with some startups and a general canvas user was carried out. Exactly the collaboration increases the likelihood that the customized version is genuinely supportive and can be applied, which is the most crucial part. The same is related to the further integration of strategic elements. Plus, collaboration ensures that the final conclusions and suggestions are being conveyed. Overall, the Design Thinking technique was applicable during the research (Appendix 1) and assisted remarkably the observation phase. All testers are listed anonymously in this paper, as the focus is on the gathered insights in order to be able to adapt the canvas in the first place.

### 2.3.1 Business Model Canvas

The business model has been notably become quite popular between the '80s and '90s and is still being applied nowadays (Burkhart, Krumeich, Werth & Loos 2011). It is required when a business idea is transferred into a business concept (STARTUP TEENS 2019). In 2005, the business model was revolutionized by Alex Osterwalder (AlexOsterwalder 2021; Talks at google 2011). Osterwalder observed that people prioritize things differently. For instance, a finance manager vs. a marketing manager. Profit and Break-Even-Point are evaluated as extremely high whereas branding stimulates product and brand demand by a marketing manager. Osterwalder's aim was that one canvas is created in which all important fields of a company's business are entailed. (Talks at google 2011.)

The BMC is built as a framework (Spencer 2013, 3). It can be applied differently. There are no recommendations delivered. There is no right or wrong. Some people are tended to draw, make notes, or write complete sentences. (Osterwalder et al. 2010; Talks at google 2011.) This can be seen in two directions. The positive direction is that people are individuals. Someone is good at creativity whereas someone else is better at numbers. The negative direction is that the entire business concept is not answered thoroughly, moreover, wrongly by entrepreneurs. Missing explanations and unclarities can be reasons for that. In a conference report, which was concentrated on an analysis of the business model and strategy, a gap of misunderstanding on how the canvas has to be applied beyond the users was conducted. (Burkhart et al. in 2011.) It was further highlighted no proper statistics or any other criteria are available which represent how the business model was redesigned.

Nine rubrics are represented in the canvas (Appendix 2). Those can be further subdivided into four parts: Internal resources, product / service, customer service including communication, and financial aspects (McNally 2013, 6). For instance, it has been taken into account who the suppliers are. This is seen from two perspectives, such as where can raw materials be purchased and how is the product / service distributed. Another factor to establish the business is, to know what communication channels are taken into consideration. This is depended on the

end consumer. Furthermore, operation in Business to Business (B2B) is distinguished from Business to Consumer (B2C). (Kotler, Armstrong, Harris & Piercy 2017, 651.) Eventually, an answer is perceived on how many employees have to be hired for the whole business operation. As a matter of fact, the business concept has to be studied and answered thoroughly (STARTUP TEENS 2019.) In 2018, the canvas was adjusted towards sustainability. Two rubrics, named Eco-Social Costs and Eco-Social Benefits are integrated. (CASE 2018; Appendix 2, 2(2).)

Besides all rubrics that must be answered, value proposition (VP) is reviewed as the crucial point. In research, it was found business model is constructed toward customers. (Spencer 2013, 2.) Business is dependent on customers since they are those people who buy and use the product (Drucker 2007, 16). The product or service that is distributed or offered must create value for the end consumer. That value can be identified easily, questions such as what problem the product is going to solve, which customer needs are satisfied, and how the product or service distinguishes itself from competitors can be helpful. (Kaplan 2012, 19; STARTUP TEENS 2019.) VP can be linked with price, design, and accessibility, but also with risk reduction (Osterwalder 2010, 22–25). In the book from Osterwalder, those are explained with some examples.

Making products and services available to customers who previously lacked access to them is another way to create value. This can result from business model innovation, new technologies, or a combination of both. (Osterwalder 2010, 25.)

Making things more convenient or easier to use can create substantial value. With iPod and iTunes, Apple offered customers unprecedented convenience searching, buying, downloading, and listening to digital music. It now dominates the market. (Osterwalder 2010, 25.)

This evidently demonstrates VP is strongly connected to the company's vision (Kaplan 2012, 68). Thus, in order to be able to provide adequate information on how value can be created and served requires looking a little deeper. Ultimately this is guiding companies towards corporate identity which is associated with the strategy. (Lynch 2000, 17; 25–27.) In an analysis in 2011, it was exploited that some people assume that business model and strategy are connected in various

ways (Figure 1). In contrast, Barbara Spencer (2013) clarified strategy was and is never considered in a business model. Even so, the business model is perceived that a company can continue to define its strategy afterward. (Spencer 2013, 6–7.)

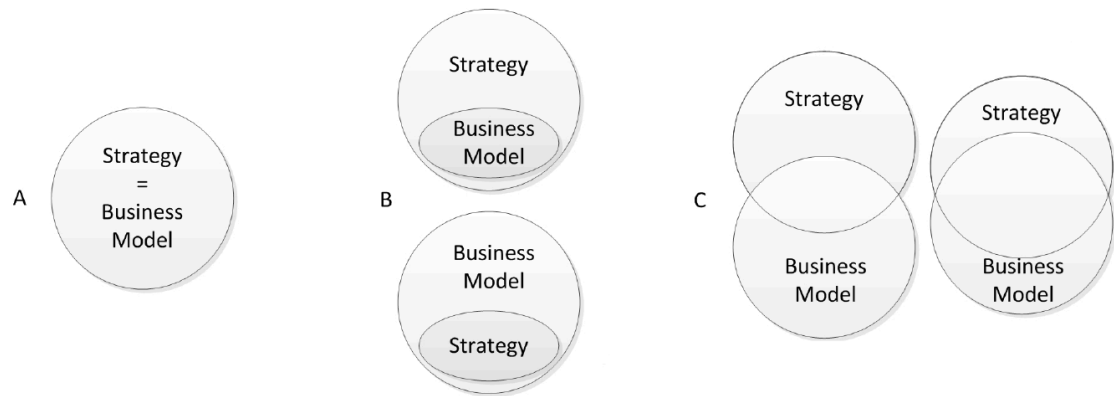


FIGURE 1: Varied assumptions about the connection between strategy and business model. (Burkhart et al. 2011, 7.)

A business model concept does not necessarily mean that once it was filled out it has never been modified. Since the world is continuously changing, products, even entire companies, are at risk of being replaced. For instance, Nokia vs. Apple, Blockbuster vs. Netflix. (Kaplan 2012, 10–14.) Therefore, it is advised to update the business model from time to time.

### 2.3.2 Strategy

Strategy is a widespread word. The word derives from the Greek antique and was mainly applied in war situations. While studying military strategy a lot was learned. Carl Clausewitz (1966), Lawrence Freedman (2013), and Jeremy Black (2020), for instance, studied meticulously how and why the strategy was utilized in the military. Consequently, relevant key takeaways were observed. Strategy can be summarized as followed: A strategy is used to make an adequate decision by prioritizing presented options. The strategy's aim is that current circumstances can be overcome. This means in the now. (Mintzberg, Ahlstrand & Lampel 1998,

88; 90.) Strategy must be aligned to the main goal so that this can be accomplished in the long term. (Foreign Policy Research Institute 2020; Talks at Google. 2013; Baylis, Wirtz & Gray 2016, 17–18.)

Related to today's usage in the business world, the strategy was reviewed in different ways by devoted authors, such as Henry Mintzberg or Peter Drucker. Notably, Mintzberg (1987) mentioned that strategy was noticed as a plan, pattern, position, and perspective. This is dependent on which side one is looking at strategy. Furthermore, how it is implemented. (Mintzberg 1987, 11–24.)

... as parlaying a particular perspective (being a low cost producer, seeking to attack new markets ...) into a plan, in the form of an intended position (to capture ... market ...) ..., which was in turn realized through an integrated set of patterns (lining up distributorships,...). In other words, strategy emerged, step by step. but once recognized, was made deliberate. (Mintzberg 1987, 17–19.)

Interpretation of this statement is that the combination of the different meanings of strategy allows those imaginable dreams can become true, however, only if each perspective is united.

It must be emphasized not every goal or decision will and can be realized as it was once planned. There are two extremes and are explained in the following. The first extreme is the intended strategy. One part of the intended strategy is certainly carried out whereas the other part cannot be converted in any case. It is hindered by initiated circumstances, for instance, less operating budget. The second extreme is called an emergent strategy which is influenced by external effects. Occasional and unpredictable situations caused by the environment force companies to change their strategy. (Mintzberg 1987, 11–24.) A great example is COVID-19 or the flaw of chips in the automotive industry (Hebermehl & Of-Allinger 2022; Warrick 2022).

### **2.3.3 Vision**

Vision is a short word, however, in the operating business world, it is perceived as remarkably powerful. With the aid of a vision, companies are demonstrating

their future view. It is expressed briefly what the company thrives to achieve in the future. (Lynch 2000, 443.) It is linked to the entire company's purpose. Leaving the past, using the present to enter a better level and position in the future. Vision is shared with the entire workforce as well as its customers. (Mintzberg et al. 1998, 136–138.) Little by little, companies are making wise choices to move further toward the future. Hence, the starting point of a change is initiated by the vision. Furthermore, in a fully competitive market sector, the vision assists that a company is distinguished from its rivals. (Lynch 2000, 443.)

The formulation of the vision is derived from the core. According to Mintzberg (1994), it is addressed as an emotional part of the company. This explains that, for instance, being the best in its market or gaining profitability immediately is neither associated nor a sufficient vision. (Mintzberg 1994, 210; Mintzberg et al. 1998, 136.) Once a vision is defined it is extremely supportive in good and bad times. This relies on the multiple attributes that are included. In my opinion, hope, courage, and resilience are provided in bad times while trust and energy are more dominant in better times. Perhaps this describes why values and cultures are in corporate strategy entailed like the vision does (Watson 1993, 28). Mintzberg stated that companies that do not have a vision, uncertain times are acknowledged and perceived in a more heavily, negative way compared to companies with a vision. (Mintzberg 1994, 210.) Their effort and focus are stuck to the unpredictable issue with the risk of ignoring to look at the whole; the purpose because the company was founded in the first place. However, the overall premise is that the vision statement is clear enough (Mintzberg 1998, 136–137). A vision assists that a company does not surrender as long it is believed in its vision.

The research found out that the basis of the company's future path is created by the vision. An intangible dream that is pursued to become true. Thereby, strategy is helping to move forward and to overcome circumstances. If the vision is strong and clear enough, issues are tackled with much more resilience. It is unlikely that companies are jeopardized their business activity. (Watson 1993, 28; Mintzberg 1998, 136–137.)

### 2.3.4 Business Strategy

Business strategy is the next phase after corporate strategy (Figure 2) is defined. It is related to how an enterprise competes inside the market. (Bowman & Asch 1987, 37.) Various changes within the market must be anticipated, considered, fulfilled, and also reacted to promptly. Changes are occurred from in- and outside of a company. Factors from outside are, for instance, when new regulatory policies are launched by the government. The regulatory of data protection in the digital world has significantly changed how documents are shared between companies and customers in financial markets (EUROPEAN DATA PROTECTION SUPERVISOR n.d.). Innovative products or the entrance of new market participants are also seen as dangerous factors within the market. A company in a niche market is frequently jeopardized by companies who are driven to conquer the market (Tutor2u nd.). Lower capacity, financial sources, or technology know-how are aspects that are considered inside a company.

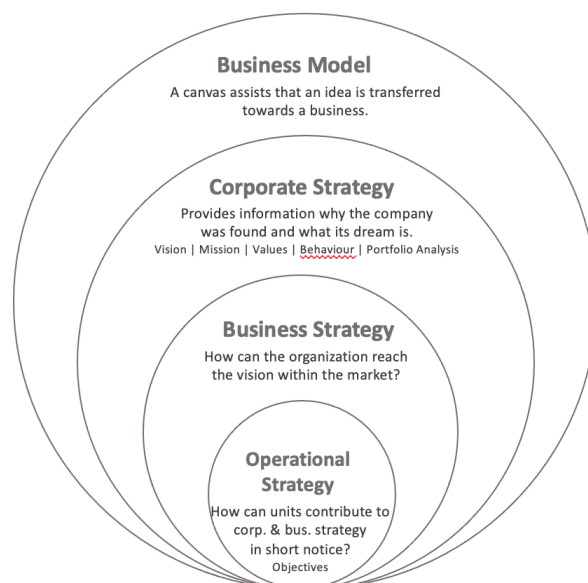


FIGURE 2: From business model to operational strategy. (Piontek 2022). Adopted and adjusted from Bowman & Asch (1987, 37).

If operational resources such as knowledge, technology, or even capacity do not exist, a vision cannot be realized (Grant 1991, 114–135). Those unpredicted changes force a company that its strategy formulation has to be adjusted or re-defined. Taking all of these into account is carried out by the Mid-Management



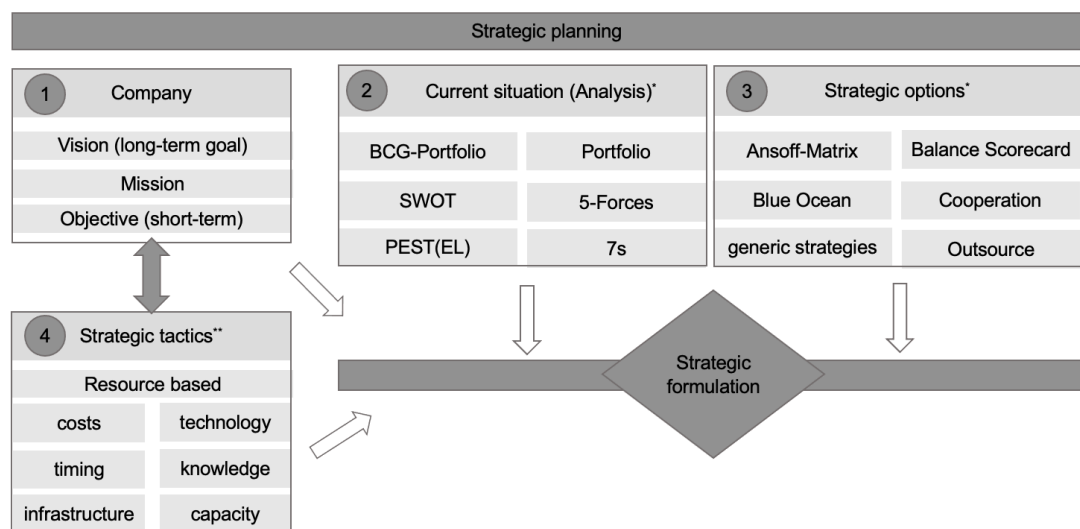
level. (Krassimir & Yusaf 2019, 126–127.) Within the management a close relationship is beneficial. Literature from Bowman & Asch (1987) and Krassimir et al. (2019), for instance, has stated that if measures are coordinated between the departments or built on each other, two major advantages are accomplished. Firstly, the departments can support each other if, for example, the strategy of one department is not paying off correctly or targets have not yet been fully achieved. For instance, marketing activities can offer certain financial terms or payment modalities, such as leasing. In addition, products from production and after-sales can also be offered through marketing activities. Secondly, each department's result has a great impact on the overall corporate strategy. It is therefore imperative that departmental targets make a positive contribution to corporate strategy. The focus here is placed on competitive advantages and a positive reputation. (Krassimir & Yusaf 2019, 126–127.) At the business strategy level, professionals often subdivided the long-term targets into smaller ones, called objectives (Lynch 2000, 536–537).

### **2.3.5 Strategic management**

Commonly business strategy is associated with strategic management and planning (Mintzberg 1994; Bowman & Asch 1987; Watson 1994, 25–38). However, strategic management is used in corporate strategy as well. (Krassimir & Yusaf 2019, 126). The process of strategic management is taken place in a precise row. The first step is strategic analysis, which is concentrated on how external and internal factors can influence that the vision is fulfilled (Lynch 2000, 25). External factors are competitors, target group, political policies, suppliers, and other stakeholders entailed. Popular models in the analysis rubric are PESTEL (Political, Economical, Social, Technological, Environmental, Legal) and Porter-5-Forces (Appendix 3). (Davies 2003, 8–10; Bowman & Asch 1987, 72; Mintzberg et al. 1998, 100–102; B2U 2016.) Mostly, both tools are applied.

Compared to the two examples, a deeper analysis is with the SWOT analysis possible. Besides the external factors, (opportunities and threats), the strengths and weaknesses of the company are also addressed. (Appendix 4.) The aim of the comparison provides companies with the possibility that their unique selling

point is eventually crystallized. Although the SWOT analysis was somehow criticized by Mintzberg, it is still seen as a strong and important model. (Mintzberg et al. 1998, 25–45.) Furthermore, other literature stated that SWOT is the tool where corporate strategy and business strategy are met (Krassimir & Yusaf 2019, 168). Afterward evaluation of strategic options is followed. It is tightly connected with decision-making. Options are derived based on the analysis of the external and internal situation. Methods such as the blue ocean strategy or a utility analysis, in which companies evaluate whether a strategic alliance or merger and acquisition appears to be worthwhile, for example, are seen as immensely supportive (Figure 3) (Drucker 2007, 78). However, multiple models can be utilized.



This illustration was design towards this thesis.  
\*An exodus of models that can be applied are presented. \*\*Focus only on the existing sources within the company.

FIGURE 3. Process of strategic planning. Several famous models are included (Piontek 2022).

The best option is selected which solves the issue as well as matches with the company's vision at best. Since every company can be distinguished in its company resources, aims, and current situation, it is never possible that companies have the same strategy. Even if a similar vision is represented, their decision-making and the path they will follow will be different. (Mintzberg 1987.)

In graphic (Figure 3), it is depicted how intense the relationship between strategic tactics and the company is. Moreover, the resource-based factors have to be

aligned to the vision and vice versa. (Grant 1991.) Short-term goals are delegated to the operational team by the mid-management (Watson 1994, 27–29).

## 2.4 Research summary

Research has been conducted that a few elements of business strategy as well corporate strategy are considered within the BMC. An example is the VP. VP is connected closely to the vision of the company. A company is always driven for making the process or the world better. VP is an approach, although it is concentrated on the value for the end consumer. On the contrary, authors like Spencer (2013), Osterwalder et al. (2010), and Kaplan (2013) have clarified that strategy is not entailed. Nevertheless, a report about the BMC has shown that people often think that strategy is considered. This represents a first mismatch of the understanding. (Burkhart et al. 2011.) The understanding, though, can be related to the overall meaning of designing a business model concept. The concept is mainly standing for transferring an idea into a business. The opposite of the mismatch is that the canvas is not understood properly. Literature pointed out that a business model has consistently been modified. One precise reason is the risk of being replaced by disruptive innovation, like Nokia vs. Apple. (Kaplan 2012.) Instead of optimizing the canvas to greater success, the canvas was encompassed geared to sustainability. A good implementation as this is a relevant topic nowadays.

In the business world, strategy is divided into three pillars: Corporate Strategy, Business Strategy, and Operational Strategy. Vision and portfolio analysis, including the external environment, are covered by corporate strategy. A business strategy, on the other hand, is dealing with how a company operates in the market. Its results and activities have an immense impact on the entire company. In particular, reputation and market share are to be maintained or even enhanced by the business strategy. What is special, however, is that unexpected changes have to be managed simultaneously. That the strategy must be optimized immediately are also a consequence of market changes. The same problems have to be faced by start-ups. However, the activities on the market are always aligned with the overall business goals. Something which is not existed in start-ups, regarding some reports.

It is emphasized there are two tools where business and corporate strategy intersect. According to Krassimir & Yusaf (2019), both the SWOT analysis and the Porter-5-Forces, take into account the internal and external factors of a company, for a competitive advantage over the competition to be obtained. Subsequently, further and necessary measures are derived from this. Consequently, it can be imputed that this is linked to a strategy formulation. Nonetheless, in both models is a vision not mentioned. The question is how can start-ups define their advantage if their purpose and vision are still not available? This demonstrates that a vision is unavoidable and fits the advice of experts and investors in start-ups. On this basis, the hypothesis is reasonable that the vision should be an essential part of the BMC. A vision motivates, even in times that are challenging. Vision can be recognized as a light that shines all the time. Hope, Encourage, and motivation can be found in that. Business strategy is the part that decides how the dream can be reached. This is the overall purpose and meaning of strategy. It is geared towards selecting the best opportunity. Options that are available at this exact moment to move nearer to the prospective goal. A reason why business strategy is often associated with strategic management.

For further investigations, research is required to observe whether start-ups are aware of regularly taking a look at the business model or not. Beyond that, it is aimed to investigate in the next step whether start-ups already have a vision.

## **2.5 Working methods and data**

The following main part of this thesis is concerned with collecting data. It is drawn by a mix of action research, constructive research, and finally reflecting the collected data (Faire, L., Gunn, S. & Faire, L. 2016). The used methods were utilized in three stages. In the beginning, general data from the target group was required. It was objected to identifying whether start-ups are familiarized with the BMC, vision and how often the BMC is used. With this, it was double proved that prior research conclusions were correctly analyzed. Afterward, feedback was analyzed main lacks were indicated. Eventually, this allowed a first draft version of the modified business canvas model was designed. Subsequently, interviews and

discussions in form of a simulation were initiated. This part of collecting feedback was essential to review if the BMC has been created in the right direction. Above all, this ensures that relevant components were incorporated and that the version is tailored directly to the target group at the same time. Finally, the participation of some testers' was required again to recognize if the adjustments are fitting now to the start-up's needs.

### **2.5.1 Survey**

The first quantitative technique was an online survey (Altschuld 2010, 5). Questions are chosen wisely (Sue & Ritter 2016, 4–6). The author was not interested in whether there is a difference between the years the start-ups are operating, since it was highlighted in the existed surveys that the average is marked with the issue of growth. Gender, age, and business sector were acknowledged as less important for the thesis (Responsible Data Forum n.d.a). On top of that, this is mutual with the priority of data collection and its privacy (Data Privacy Manager 2021). Questions were more objected to the understanding and usage of the BMC and having a strategy, moreover, a vision. Usually, answers are guided in a certain direction by predefined questions, aiming to substantiate the assumptions accordingly. By including open questions, however, it was permitted for the participants to share their thoughts. In addition, new insights could be gathered that were not initially pondered. (Sue & Ritter 2016, 6–7.)

The online survey was selected for several reasons. Compared to face-to-face interviews, an online survey is designed quickly and effortlessly. The online survey allows commonly that the link to be shared broadly while different shared tools, such as social media, professional occupation sides, and emails, are used (Bickman & Rog 2009, 25–26.)

### **2.5.2 Interviews and discussions**

When it comes to talking about the improved BMC approach, author decided that the version and further adjustments were tested. However, it was not preferred

to conduct this with a larger group, but rather with a small group of participants. A discussion was also included in these meetings. Testing and discussions were held individually and in person—live and online. For online, the tool-software Zoom was used. Time was limited to 1.5 hours for all tests.

Even though a lower amount of collected data were gained by a tiny odd of participants, the conduction of an individual discussion is less complicated. The author was also keen to prevent some attendees are influenced by other opinions. (Altschuld 2010, 86; Bickman & Rog 2009, 589–591.) For the testing phase, a rough structure was prepared beforehand. Particularly how the interviews and observation are exposed. Thus, it was decently thought about which questions are appropriate to request. Foremost, which outcome would be helpful at best for the last modification. Generally, it is to be avoided that the answers lead directly to a fixed result (Bickman & Rog 2009, 25). In principle, it was more a matter of testing to observe whether the start-ups are capable of completing the sheet and ultimately being able to deduce further operational measures.

### **2.5.3 Suggestions and recommendations**

The ultimate result of the complete investigation allows the author that recommendations can be pronounced. This includes a suggestion on how to improve the BMC for the start-up scene. Certainly, the model does not guarantee that startups will definitely make better profits. It is rather intended, on the one hand, that the Canvas is used and reviewed more frequently. On the other hand, strategies for the business units can also be better deduced, adjusted, and even responded to market changes more quickly due to the existence of a vision.

### **2.5.4 Ethical aspects**

Overall, ethical aspects are considered during the process of gathering and evaluating data from the audience (Responsible Data Forum. n.d.a). The author's responsibility is related to taking care of the data during and after the thesis. Especially, data integrity plays a major role. It must consider how and where data

are collected, used, and stored. (Responsible Data Forum. n.d.b.) According to the Finnish National Board on Research Integrity Tank (2021a), it is crucial that interviewees are taught about that. Taking care of data protection demonstrates and creates trust during the elaboration (Responsible Data Forum. n.d.b). Before interviews are conducted and recorded, participants are informed about their general rights and that feedback is used for a published dissertation. Without a confirmation of each attendee, author is no longer allowed to use the results for this thesis (Finnish National Board on Research Integrity Tank 2021b). The outcome has to be described in a neutral way avoiding those participants being put in a specific category. Reputation has to be protected.

## **2.6 Thesis process**

This part is intended to provide the reader with how the entire work process is structured. The current situation and the reason for the established investigation are expressed in the first chapter. It is shortly summarized how a business is set up nowadays. Likewise, those start-ups are dealing with a lack of growth after the enterprise was founded. Therefore, it is important to understand what the thesis is aimed for, and which concepts and theories are used. What BMC, the generic strategy including vision, and business strategy stand for are studied thoroughly. Multiple theories and prior investigations are considered. Hence, the first problems are identified and consolidated. All of this is expressed in the thesis plan in chapter 2. Besides, techniques for collecting data are named.

Before data collection is gathered, the author is looking at multiple ways what has to be persuaded and also definitely considered. Concerns are related to aspects like methods and ethical ones. Methods are reviewed at the best beforehand and the final utilization is presented, continued with boundaries that may appear during data collection. All these aspects are concluded in chapter 3. Hence, chapter 4 are illustrating the outcomes of the questionnaires. The first part of collecting data is required to identify the lack between research and theoretical application. Furthermore, with the assistance of analyzing the data objectively a smooth transition to the adaption of the BMC can be executed.

When it comes to the adaption of the BMC, the author is studying the BMC from Osterwalder in a profound way. Thereby, the author is looking at the BMC through the lenses of a non-professional. With this point of view, it is thus identified easier which fields are lacking, have flaws, and which support a non-professional may need. Plus, the in-depth analysis depicts which strategic elements might be seen as practicable to be implemented and provide a better incentive in order to overcome or even prevent some circumstances on the operational level. It is equally emphasized that an opportunity is discovered that the general BMC is synthesized with the sustainable BMC. All of this is addressed in detail in chapter 5.

Eventually, first ideas are shared and proved in form of a testing phase. Testing is established as a second method. With this, further data are collected. As a result, another improvement can be conducted. An improvement guarantees that the novel BMC is tailored toward the target group. Thus, misleading, moreover, misunderstandings can be avoided as well. In chapter 6, the test results of the adapted BMC are completely expressed. Due to the fact that start-ups and one non-business occupied person are interviewed, observations and takeaways are demonstrated neutrally. Subsequently, adjustments based on the gained insights are made and explained. In addition, at some points, sophisticated analysis is once more made. The author implemented further research so that ultimate modifications are aligned with existing knowledge from experts and the tester's feedback. Chapter 6 also consolidates the final improvement of the BMC. As several versions are designed, some testers were involved one more time. Brief feedback about which version would be the most appropriate one was collected.

Lastly, conclusions and recommendations about the whole investigation are presented. With the conclusion, a summary of the outcomes of research, collecting data, and enhancing the BMC is provided. Outspoken recommendations, as well as concerns when the novel BMC is used in the practical part, are shared. The reason is that the BMC is a well-known canvas and is used globally. Since collected data were solely gained within the EU and from a smaller portion of users, it is not entirely given that those adjustments are valid and supportive for everyone and every business sector.



### **3 DATA COLLECTION AND METHODS**

The following pages are providing profound information about data collection. Benefits and what has to be considered when methods such as surveys, interviews, and focus groups are initiated were explained in chapter 2. The following chapter is more related to the research objectives. Subsequently, the target group for gathering data is described in detail.

In advance, it is addressed to the reader, data collection was divided into two phases. Different approaches and techniques from quantitative and qualitative methods were used. It facilitates that insights were gained in diverse ways from the target group. Overall, the gathered data were handled carefully.

#### **3.1 Research objectives**

According to the research findings, it was highlighted that flaws between the BMC and the users exist. Data collection was performed to investigate whether a discrepancy is, in fact, present. Furthermore, it is concentrated on three overall findings regarding BMC, vision, and strategy. First, what is their definition of the BMC? Second, do they believe that strategy is incorporated? Third, is the user capable that its vision is formulated?

The survey was addressed to a specific target group. The target group was created by people who already have a start-up and candidates who are eager to establish one within the next few years. The latter one was related to students in the field of entrepreneurship. Overall, the survey was sent to start-up organizations and universities within Europe. Organizations like Startup Talents, and HUBS in Tampere. Chosen universities were the Hanze University in the Netherlands, the university of technology in Brno, Czech, as well as the TAMK Proakatemia in Finland, Tampere. In addition, a few start-ups were contacted directly via mail. The favorable start-ups were found research was, on the one hand, concentrated on looking for European websites where start-ups were listed and on the other hand, by simply searching for jobs in start-ups on LinkedIn. Thereby, it

was taken into account that these start-ups were established recently—not older than four years.

## **3.2 Methods**

In this section methods for gathering further data and insights are expressed detailly.

Basic research was used in the first place. It made it possible that the current issue is understood correctly. This allows that first assumption and hypothesis can be stated by the author (Allen, M. 2017). Deduced by that, the above-mentioned research objectives were formulated (Billups, F. D. 2021).

For satisfying the needs and being able to improve the BMC, further data needs to be collected. In addition, as a broadly spread canvas is enhanced with this thesis, the novel BMC must be tested to identify which parts are well chosen, should be eliminated, or even adjusted. As a result, a few methods are used. A mix of action and constructive research are applied. In sum, surveys, interviews, and testing are the dominant utilized methods. Especially during the interviews and testing, discussions and observations were merged (Gerson & Horowitz 2002, 178–224).

In the 3.3 data analysis approaches are shared. While data are collected, boundaries may likely arise. How the thesis is affected by that, is described as well.

### **3.2.1 Survey**

The first phase is exclusively geared towards finding answers to the question of whether there is indeed a mismatch between the user and the BMC. The previous research concluded that vision is presumed to be the solution to close this gap. In order to confirm this assumption, it is preliminarily verified if the general user is able to formulate its vision after using the Canvas. For this and further research related to the canvas, vision, and strategy, a questionnaire was preferred.

Questions for the poll were built on the results and assumptions of the research. The learned theoretical techniques, and how questions can be formulated accurately without steering those in a specific direction, were applied. The author was interested in how the target group would describe the BMC in their own words. In addition to this, the purpose of defining their business vision after the BMC has been used. For gathering the needed data for this poll, the objective was that more than two responses were collected. The more participants were reached, the better insights for the suggestions could be made afterward.

Before a platform for the survey was decided, a few criteria were set. Anonymous, data protection had to be granted and was the overall priority. In addition, the design was another criterion. It was preferred that a variety of designs, like scales, free text options, and provided answers, were offered. Likewise, the author's aim was that the survey can be filled out effortlessly by the attendees. Hence, [freeonlinesurveys.com](https://www.freeonlinesurveys.com) was picked. This site was deemed trustworthy from the author's perspective. On the website, it is presented that their survey is used by many companies like Adidas, Continental, or SIEMENS. The number of collected responses is unlimited. Due to the easily handled functions, a brief introduction about the survey's purpose might have been written at the beginning. The distinct design styles allowed open- and closed-question to be used.

For gathering data, the author used contacts who have a greater connection to start-ups. For instance, the survey link was sent to other start-ups by a friend at Platform 6 in Tampere, Finland. Nevertheless, the survey was also shared for the first time on 26.2.2022 on LinkedIn. In the group Startup Talents and additionally, a public post was posted. A report was made on 28.3.2022. At Hanze University, the link was forwarded by a professor to its students in the second week of 7.3–11.3.2022. Simultaneously, the survey link was published in the newsletter of Tribe (Tampere, Finland). At the same time, the link was forwarded to the Red Brick Accelerator programs. Likewise, the link was shared in a what's app chat on 14.3.2022 to two students at the university of technology in Brno who forwarded it to its students' fellows. Eventually, the link was shared by a professor at the Proakatemia university. On 23.3.2022 and 25.3.2022, it was decided to look for further start-ups and contacted them via mail. The start-ups are located in Germany. The survey was closed on 28.3.2022.

### **3.2.2 Specialist Interview**

Interview, more precisely, a discussion about strategy and vision regarded to the BMC with an expert was taken place before the initiated testing phase. The author's objective was that their own assumptions were shared since strategy is a complex topic. In addition, author shared personal concerning's how the BMC is perhaps perceived nowadays. Besides, the interview enabled insights from another perspective to be received. Gained feedback was considered when the phase was shifted to the BMC modification stage.

### **3.2.3 Testing and observation**

As stated before, this study it is aimed to find a suitable approach to how the BMC can be optimized at best. More specifically, the most effective approach is to persuade how start-ups' issues can be reduced or even mastered with the assistance of strategic measures. Thereby, the question of which strategic elements can be used and incorporated into the BMC plays an essential role. One approach focuses on issues that can be avoided by addressing and responding to them as soon as the canvas is applied. Another approach focuses on issues that suddenly arise in the initial phase and can be addressed with the help of the BMC and the strategic elements. However, this does not constitute proof that these have been selected sensibly. On this occasion, a second phase will be included. The testing is released to reveal whether the refined canvas is better support for start-ups. The inclusion of two start-ups has the advantage that errors can be detected and adjusted through direct feedback. Furthermore, it was attempted to identify whether the optimized BMC is also easy to handle for a non-professional user. This is nearly a simulation of an upcoming entrepreneur / CEO without any background who is capable to apply the canvas either.

In this stage, methods, like testing and interviews as well as observation were applied (Gerson et al. 2002, 178–224; Sánchez-Jankowskil 2002, 132–134). The enhanced BMC was tested by two Finnish start-ups and a student in economics. Simultaneously, questions were made to understand how and what the user is

feeling and thinking during the application. Their behavior was meticulously observed. (Sánchez-Jankowskil 2002, 132–134.) This indicates if the canvas is aligned to the start-ups correctly. This type of action research linked with constructive research is needed for two reasons. First, it is not always given that theoretical knowledge is working properly in practical theory. Second, new impulses and lacks regarding the optimized business model are gained. Hence, the canvas can be tailored closer to the target group.

### **3.3 Data analysis**

The responses were analyzed by quantitative and qualitative methods (Saunders, Lewis & Thornhill 2007). To begin with, results were shared and explained neutrally. Interesting insights were subsequently singled out and reviewed deeply. Efforts were made to ensure that the participants' thoughts were correctly comprehended. In addition, possible incentives for the modification phase needed to be consciously perceived. The interpretation was based on the author's perspective and its observations while comparing it to the topics of strategy and BMC. (Saunders et al. 2007, Sánchez-Jankowskil 2002, 132–134.) The derived conclusions were ultimately summarized. These included not only recommendations but also considerations to be noted during concept development.

Following this, the second phase was initiated. Thus, initial approaches were developed from the analyzed data. in which business strategy is integrated into the BMC. Literature models such as SWOT analysis were evaluated once more to ensure that the essential strategic elements were used.

#### **3.3.1 Validity and reliability**

Questions were aimed to retain them low. Therefore, questions had to be on point as well as clearly described. Due to the introduction, transparency and kindness were conveyed by the author. It was aimed that this is transferred into the trust of the attendees. Attendees shall feel safe so that the question, particularly the open ones, be answered honestly. Reliability is another factor taken into account. While

questions were not directly questioned by the author, it was trusted that all of them were answered and not ignored. This ensures that all gathered information can be used equally and contribute to the final thesis results.

### **3.3.2 Limitations**

Though, a limitation was, indeed, a boundary for collecting data. Even though the link was provided to a lot of start-ups, the author was aware that not every single person will participate in the survey. Another jeopardy is that a part of the directly sent mails to start-ups was never received by the perceiver as these were automatically sorted out or marked as junk mails.

Thus, the awareness beforehand, the author was delighted that 10 responses were gained. However, at this point, it is crucial to clarify that the results of the online survey, the discussions, and the interviews are valid for the thesis but not representative of the public. In this case, more participants and feedback are required so that it can be extrapolated to the entirety. Nevertheless, fundamental findings have been discovered.

## 4 SURVEY DATA ANALYSIS

In brief, the data is seen as adequate and useful. In total, 10 responses were received. For the collecting data, it was not relevant to the author how old or where the participants are living. The priority was more based on the fact to ensure that the participants are aware and have already been in touch with the BMC and to gain a first impression of the vision.

Overall, participants of the survey are a mix of founders of a start-up (50%, n=5), in a preparing phase (20%, n=2), or non-start-up founders (30%, n=3). Though, all of them are aware of the BMC.

### 4.1 Definition of the Business Model Canvas

Since the mismatch between the user and the canvas was conducted, it was important to observe how the target group would describe the purpose of the BMC in their own words. The answers are presented in figure 4. Most of them (n=6) are guided in the right direction and are somehow similar. Summarized, the majority wrote that the business model supports comprehending the idea better while important areas for businesses are viewed. In contrast, it was mentioned that the BMC is retail-oriented. A lot of attention was perceived to this answer. Quick research about retail was initiated. Retail is dealing with selling goods and services to the customer that is needed and used personally, like an individual or for the entire family, or in the household (Vaja 2015). Those goods are sold online and/or offline. According to the definition, the answer is addressing that companies who are offering a service within the B2B sector are categorically excluded from using the canvas. Examples are marketing and consultant agencies. More precisely, from the participant's description, the canvas is not tailored for companies like Würth, Infineon, or Airbus.

3 How would you briefly describe the business model canvas purpose?

Define your business model, partners and Rev / cost streams
Quick overview about a business model: key Partners, Financial Flows, Customers, USP,
To have a clearer direction for your business to follow
Written down the pros and cons of your business idea.
Initial brick of business idea
It is supposed to help you understand your business idea and demonstrate it.
Overview about project (possibilities, competition, who is customer etc etc)
It gives you idea and describes how your business is displayed in the current market.
Helps to create an overview of your business. Commonly used platform in Proakatemia.
A retail oriented business model canvas where key partners, revenue model, and cost structure are the most relevant points.

FIGURE 4. Participant's definition of the Business Model Canvas.

Two further statements are presenting that the purpose of the canvas is not well-known in the first place. For instance, the fifth answer (Appendix 5, 2(3)) is portraying that the business idea evaluates whether the business idea is great or not by verifying the pro and cons. This answer is interpreted in two directions. One direction is the outcome after the canvas is filled out. How a business concept looks is demonstrated by the nine categories. VP deals with whether benefit and value are created for the customer. Cost streams are revealed while revenues and spending are roughly calculated. Certainly, the ultimate result is indicating whether the business idea has a chance or not. On the other hand, the result is providing an incentive for how the idea can be improved so that the business can be launched. The other direction of comprehending the answer is the canvas is seen as a similar tool to benchmarking. Benchmarking is a model which is used for decision-making. Decision-making so that competency and the overall performance of an enterprise or organization are enhanced. (Anand, G. & Kodali, R. 2008.

Indeed, the SWOT analysis is masked behind the BMC. VP and Customer segment reveal opportunities (O) and threats (T). The result is receiving profits or being in the red. Raising performance benchmarking should be done frequently as was emphasized in the research findings. (Mulders 2011.) Otherwise, strengthen (S) and weaknesses (W) are needed as well and these are the internal



resources the company currently has, moreover, requires. The question is whether the BMC is perceived decently or not by the participant.

The second response that strongly stood out is that the model is described as an initial brick of business idea (Appendix 5). Although it was thought a lot about this reply to assure that the statement is interpreted correctly, it is comprehended that the BMC is associated as a tool for gaining ideas. A tool that is used is similar to brainstorming and -writing.

## **4.2 Usage of the Canvas**

Besides business model was created by 56% (n=6) so far, 33% (n=2) have never designed one. 11% (n=1) is currently working on it. Furthermore, it is portrayed that 70% (n=7) of the participants do not look regularly at their BMC. The minority (30%) is reviewing it frequently. The responses are highlighting that the knowledge of applying BMC routinely is not present, although, it is read in books (Kaplan 2012, 10–14).

In question 6, attendees were pleased to share how often its business model has been adjusted so far (Figure 5). Among the replies, 30% (n=3) mentioned it has not been modified yet. This is linked with the 33% (n=2) of respondents who have not yet developed one. Of the majority (50%, n=5) that already have a business model, the model has been adapted more than once. Thus, the business model has already been improved once and twice, 30% (n=3), and 20% (n=2), respectively.

6

How often have you modified your business model so far?

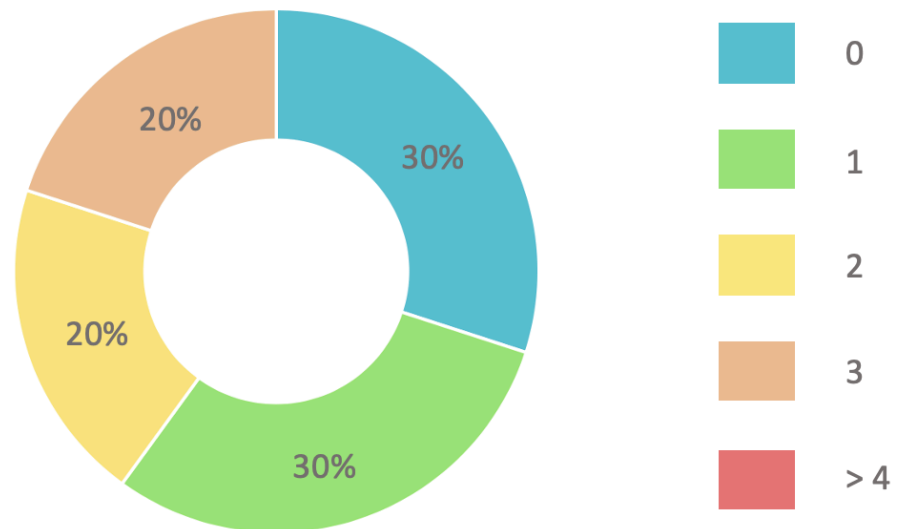


FIGURE 5. How often BMC has been improved. (freeonlinesurvey & PowerPoint 2022).

Surprisingly, the model has even been optimized three times (20%,  $n=2$ ). In conclusion, even if the canvas is not looked at often, it reveals those who have one taking responsibility for their business model are high. Beyond that, it is assumed that if it comes to any changes in their business model (concept), failures are corrected independently on the canvas.

### 4.3 Strategy

Participants were enquired to rate on a scale from 1 to 5 how much they believe a strategy is encompassed (Figure 6). From all responses, none of them is of the opinion that strategy is not included at all. The guessing was ranked on a lower level by 10% ( $n=1$ ) whereas 40% ( $n=4$ ) graded it to a 3. In total, the likelihood that strategy is considered is also categorized at 4 and 5 by 50% ( $n=5$ ), 30%, and 20%, respectively.

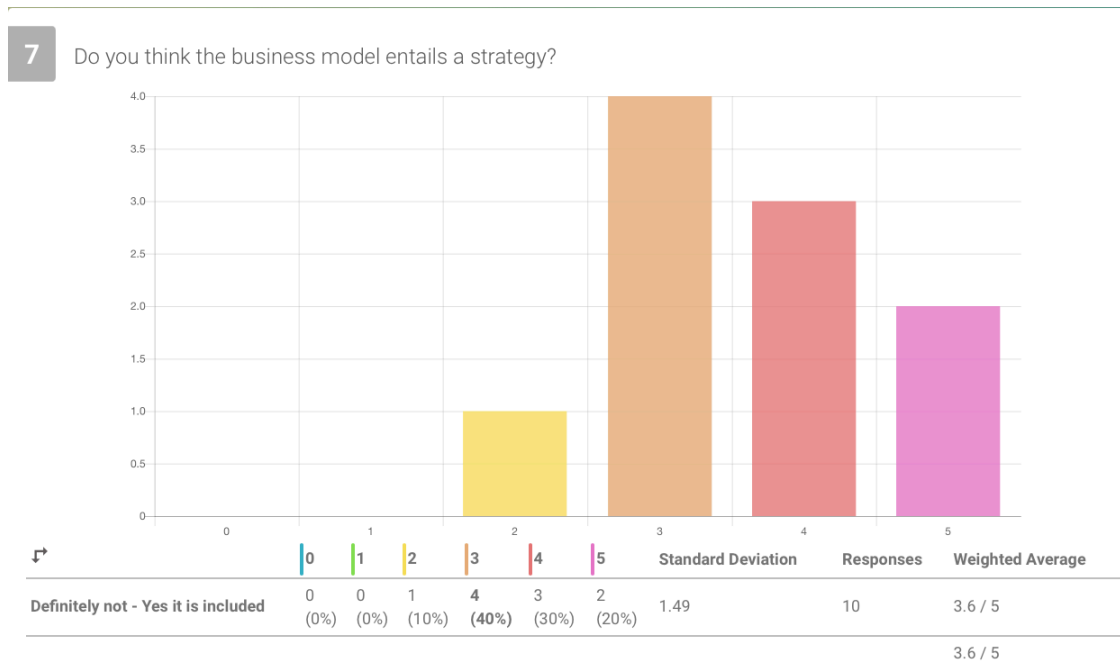


FIGURE 6. Results whether it is believed strategy is in the BMC entailed. (Freeonlinesurvey 2022)

The outcome underlines the hypothesis and prior investigation from Burkhardt et al. (2011). In addition, it contradicts what Spencer (2013) is pointing out in her book. On the other side and as it was learned from the research, it is always a question from which direction strategy is watched and for what it is exploited. Osterwalder wrote in his book that SWOT is implemented, and according to Mintzberg (1998), SWOT is a strategic tool to deduce how to defend the market (Osterwalder 2010). While Spencer perhaps reviewed strategy for the entire company and on the corporate level. The level on which vision, mission, and brand identity are evolved. Nevertheless, the question depicted that it can no longer be said that strategy is not included.

#### 4.4 Deriving and having a vision

In literature, it was notified that the next steps are easier to determine when having a vision. Hence, number 8 dealt with the question of whether the participants are assuming that a vision can be deduced by the BMC (0 = no; 5 = absolutely). In sum, it was agreed on that by 60% (n=6). Though, the odd is divided equally, scaled between 3 and 4, 30% respectively. Self-estimation in doing so was listed

on a 2 (30%, n=3) as well. Astonishingly, 10% (n=1) is seeing themselves as capable to define a vision and allocated it on a 5.

The upcoming question was built on the prior one. It was aimed to examine whether participants already possess a vision or not. It is revealed by the survey that 10% (n=1) are currently working on a vision. In a deeper analysis, it is explored that the same participant also noted that the capability of deriving a vision based on the canvas is low. In comparison, it is displayed that 80% (n=8) have already developed a vision, figure 7.

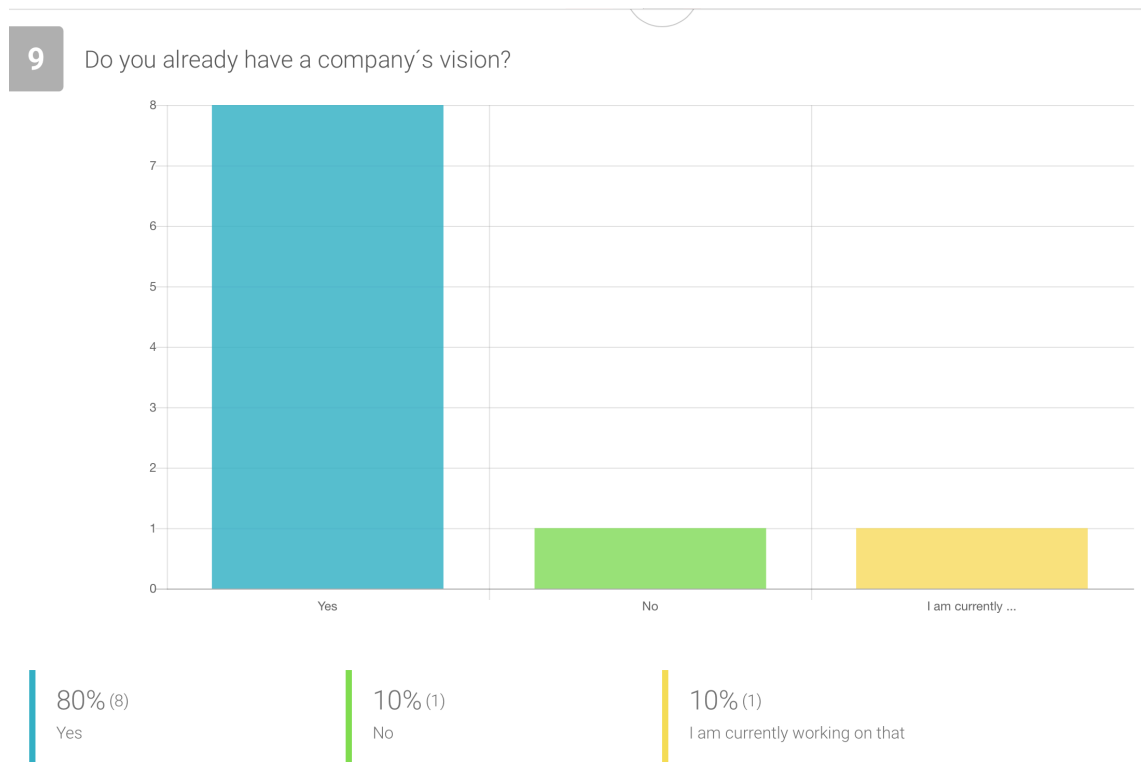


FIGURE 7. A company's vision is already available to the majority. (Freeonline survey 2022)

This even includes participants who are not yet running a start-up. The survey was shared with students who study entrepreneurship, it implied a personal vision, which is transferred into the company, is available but the ultimate business idea has not been found yet. Though, 10% (n=1) indicated that a company's vision has not yet been determined. At the same time, 10% (n=1) are currently working on it.

## 4.5 Determining next steps

Through research results, it was exposed at the beginning that startups are experiencing difficulties in determining the next steps in an attempt to steer the company towards growth. The last two questions, questions 10 and 11, were concentrated on that topic. With question 10 it was aimed to identify whether the participants can easily determine the next steps based on the vision and / or canvas (Figure 7). This question was answered with yes by 60% (n=6). 20% (n=2) mentioned, from their point of view, that the next steps cannot be determined. Of the 20%, exactly 10% (n=1) are struggling in defining those. It was expressed not easily (Figure 8).

10	Can you easily define the next step towards company growth based on the business model and/or vision?
yes	
	Als eine lernende Organisation Erfahrungswerte sammeln
yes	
Not easily	
Yes	
	Marketing , social medias
	Definetely!
no	
	Expand our messaging and branding in our market niche, and increase our sales activities.

FIGURE 8. Responses about defining the next steps in order to achieve growth.

In addition, concrete information was conveyed by one-third of the 60%. Their needs are referred to branding, social media as well as sales activities.

Eventually, the last question obtained insights into what is needed in improving. The question was consciously asked in a general way to receive what obstacles are currently occurring. The purpose was that author was allowed to see their needs and not what might be improved for a handy application. Insights are presented in Figure 9.

## 11 What would you need to determine the next steps for business growth?

n/a
-
Time and recourses
Business that has a future. My company right now is being taken down
Supply chain focus
More specific research about competition in country
Easy steps
data

FIGURE 9. Responses about defining the next steps to achieve growth.

20% (n=2) were not able to reply to this while detailed information was shared by 80% (n=8). Answers are significantly distinguished from each other. In particular, one participant was so honest and mentioned that the recent business is going to fail for sure. Demand for determining proper decisions lies in the supply chain, competition, data, and easier steps. Time and resources—internal factors—are also named.

### 4.6 Analysis Summary

With the first step of collecting data, supportive insights were gained. Information is belonging to the BMC definition, strategy inside the BMC, vision, and determining next steps including the needs of the regular user. Regarding the definition it is demonstrating that the definition of the BMC is not for everyone clear, even this belongs to the minority. Based on that, for the modification, it is wondered how the purpose or the objective of the BMC is transported by the canvas. In addition, advocates of the canvas are advising using the BMC routinely. Emphasized, to make sure that no unpredicted happenings are appearing. Thus, the survey

clearly reflects that canvas' user immediately adapt their business model if changes are occurring. To provide a greater incentive to work with the BMC more often it is questioned how and which elements are seen as useful for the user who has never been in touch with the BMC. A user who is not professional in business, though, has an extraordinary idea that is aspired to turn into a business.

Responses addressed to vision are shown that the users categorize themselves as skillful in formulating one. Although, one reply is presenting that the vision was not the best as the start-up is going to vanish from the market. Something that is driven to be avoided with the thesis. Therefore, author is keeping into mind if the vision will be incorporated, what would a user need to create a vision that is going to fruition. And even if a vision is merged in the enhanced BMC, are the users frankly capable to formulate one? A pondered question that should be seriously considered and be proved during the testing is exposed. First and foremost, a business is supposed to have a vision that is not focused on making profits to becoming instantly wealthy. Rather, a business is supposed to be formed with a purpose. A product or service is to be offered to the consumer to solve a problem and make daily life easier. In the best case, it is also contributing to global issues such as sustainability. Sustainable is something that is also launched inside the company, for instance, a lean process within the supply chain (Pohl & Tolhurst 2010, 8–14). And even if a vision is merged in the enhanced BMC, are the users frankly capable to formulate one? Is the self-assessment correlating with the reality? Pondered questions that should be seriously considered and be proved during the testing is exposed.

Deducing next steps are concerned with time and resources. Both are linked with management learning (Grey & Antonacopoulou 2004). It is imagined that the average of start-ups is mainly young with fewer experiences. Learning how to set up deadlines is thereby learned by failures. If the deadline is not reached it has to be postponed. The adaption part could think about an approach to teach the BMC user in increasing their skills in time management. If it is possible to find a solution, will solely be fostered when BMC is used seriously. We can provide as many incentives and solutions as we want, however, the learning curve will only then occur when the CEO is taken care of it by themselves. If a CEO is not reflective, open to learning, and is portraying failures, not as great learning then

those elements will not support. (Grey & Antonacopoulou 2004, 93–95.) On the other hand, it is not a satisfactory solution either if not a single incentive is introduced.

Demand in marketing and sales activities but also knowing the competition better was also mentioned. Surely, BMC has and will not continue to replace other models. Their existence has a reason and BMC is only the first step to shaping an idea into a business. Nevertheless, it is justified that a few adjustments can be adopted. Therefore, it is required that BMC is reviewed thoroughly. Then, supply chain activities, as well as the market segment, are illustrated in the BMC. If it is perceived that it is not sufficient enough, author is going to seek alternatives that can be tested later on. Despite this, many insights and considerations are provided for the modification, thanks to the survey.



## 5 ADAPTION OF THE BUSINESS CANVAS MODEL

After the first data analysis is completed, the second phase is initiated. Data analysis is considered as it was discovered that vision is not the single feature that start-ups are demanding. Gained insights have exposed that knowing competitors and being more capable of transferring branding into sales and marketing is wished for. These insights are taken care of by the author. Thereby, the BMC was analyzed carefully again. In the following, it is explained what kind of changes, besides the implementation of a vision, is seen as useful so that the needs of the target group are satisfied.

### 5.1 Modification

For touching up the BMC, it was studied once again while jumping into the position of a regular user. A user without any background in marketing, strategy, or even first experience in running a business at all. It is seen as beneficial that more questions or uncertainties may occur so that further pitfalls can be avoided. Questions and considerations that are perhaps simple overseen from the perspective of someone who is familiar with the canvas as well as with economics or business in general. Furthermore, the modification shall assure that every single person, does not matter if the person is an artist, nurse, or even a cashier, is capable in working with and utilizing the BMC.

It is observed that Osterwalder formulated the questions from the customer's perspective. This style will be adopted. Similarly, sub-questions are seen as very helpful for the user as the user is forced to think about the topic for a while by those. Key Partners are not analyzed and are recognized as it is sufficiently described. During the enhancing process, it is finally considered to bring the blocks in a specific order.

Since start-ups are certainly not able to formulate a corporate strategy after the business is shortly launched, the author is seeking an approach in which a smooth transition is provided when it comes to a corporate strategy. Moreover,

the author is wondering what is more needed and how models, like SWOT-analysis, PEST(EL), and Porter-5-Forces, are covered once more within the BMC. Particularly, the author is looking at areas such as vision, the strength of the company, and internal and external resources to be addressed.

### **5.1.1 Vision**

In qualitative and quantitative research, it is exposed that the power of a vision is extraordinary. Better decisions are taken when a vision is clear enough. According to Mintzberg (1998), formulating a vision is not simple as it is perceived. Even if the majority assume a vision can be derived from the canvas, it was shown that a few participants are facing issues with determining the next steps. It is imputed that a vision is helpful and that the next steps are determined when they are aligned with the vision. In conclusion, there is no reason to doubt that a vision ought not to be included. However, only adding the word vision on the canvas is not adequate. Keeping in mind that one participant who already has its vision shared the information that its start-up is going to bankrupt it is thought about to add concrete questions which are addressed on the personal dream and not aimed to generate profits. As a consequence, further details or incentives have to be provided to the canvas user. Thus, the following questions are selected for how the user may answer the question:

- Why do we want to sell this product / service?
- What is our personal dream, moreover, what is our story?
- How would we describe our vision to a child?

### **5.1.2 Value Proposition**

Service Design Thinking and products are nowadays seen from the customer's point of view since it has become more difficult for enterprises to stand out in an overcrowded market (Stickdorn, Hormess, Lawrence & Schneider 2018, 5). Not to mention that over 90% of food and beverage products will never be in the supermarket aisles (Weber 2012, 1265). Consequently, the VP is chosen as a second step. Furthermore, it is inputted that once the vision is defined that it is easier

to express the customer benefits and which issue is solved by the product / service or company. Whereas Osterwalder's questions are more concentrated on value and product bundles and less on the customer feelings, it was thought about addressing the questions closer to the customer. The characteristics are adopted. Only the word lean process is included.

- Which problem is solved with our product / service?
- Which customer need is satisfied?
- How does the customer feel while and after using our product / service?
- What is the product advantage that feels the customer better?

Characteristics: Newness, Performance, Customize, Design, Cost reduction, Usability, Brand/Status, Risk reduction, lean process, convenience

The last two questions are picked to foster the branding position. When it comes to branding, identity is needed. An identity in which concrete attributes are covered. Attributes are not only values, but it is also what kind of feelings and emotions are created by the end customer. Indeed, it is also about the question regarding shapes (round, angular, soft, hard). The Canvas can surely not replace, moreover, consider all parts of branding, though, guiding the user slightly in that way, may help to do branding easier than before.

### 5.1.3 Customer

After values and feelings are explained, the customer should be studied and described briefly. It is assisted the user to know whom the potential buyer is without conducting in-depth research. It is more seen as scratching on the surface of a customer's persona. In the canvas, the title customer segments were chosen. In addition, niche or mass markets are named as indicators. In the modified version the title is shortened and titled as a customer. Indicators are left out. They are covered in a later-described part.

- Who is my customer? *Age, gender, occupation, interests, income, ....*
- Which channels do the user use to obtain information?

The third question is coherent with sales and marketing activities. Despite the fact that analysis demonstrated that users are familiar with the business model and a tiny majority are able to determine the next steps, it is not always likely that users know on which platforms or channels communication has taken place. Nonetheless, this is a theme that has to be discovered within the testing phase.

#### **5.1.4 Channels**

The channels' category is put as the next, fourth stage within the canvas. Compared to the others, this rubric goes into much more detail, thus the customer journey is included. In this case, the sales funnels and the related questionnaires are summarized.

- Where is our product /service available?
- How can customers and suppliers contact us?
- How & where do we communicate with our customers?

#### **5.1.5 Competitors**

The category competitors is edited as a new part of the business canvas model. One reason is that this subject is occurring in SWOT analysis and Porter-5-Forces. Models in which business and corporate strategy are crossed. Another reason is that market or competitors are better comprehended from this data analysis. In principle, it has the advantage to recognize how the own product / service is differentiated from the competition. It is deliberately addressed from the product since it is agreed that the emphasis on the business idea should be aligned to the customer. As previously outlined, the consumer's purchase decision today is based on which product satisfies its needs the best.

In addition, it is more beneficial to know the competition instead of focusing on whether it is a niche or mass market. This is automatically deduced when reviewing the number of competitors. The more competitors, the more likely it is to be

in a mass market. Furthermore, this may enable start-ups that branding is developed easier than before.

- Who are our competitors?
- What would the customer buy if our product or market segment does not exist at all?

### **5.1.6 Cost structure**

During the canvas analysis, it is recognized that cost structure is a further element that seems to need an update. From the analysis perspective and after studying the canvas thoroughly, it is comprehensive why and how the canvas is designed like that. In contrast, start-ups believe that the BMC is the single tool that is required when their business is forged. This guessing is shared and confirmed by strategy experts, start-ups, and students in the field of entrepreneurship. Particularly, in a conversation with a strategist, it was discussed that a regular canvas user would not know that a sophisticated business plan needs to be prepared afterward. (Appendix 6.) A plan that is demanded by investors or banks, for instance. Commonly an in-depth financial statement is asked for. The financial statement is calculated quarterly. Among the financial statement, all costs are covered and presented. Costs that are accused in every single unit, like logistics, production, administration, and marketing. (Ford, Bornstein, Pruitt 2007.) Those details cannot surely be covered inside a BMC. Yet, an update is seen as appropriate. Likewise that a business plan has to be prepared separately can be mentioned as a side note.

- What are our fixed and variable costs?
- How much revenue is estimated in the first year?
- How many products / services can be sold?
- Profit will be there at the end?

Note: It is recommended that a separate business/financial plan is prepared.

### 5.1.7 Negotiation

The financial part is continued with the rubric negotiation. Precisely, the question of how the price can be defended shall be studied. With this precise question, several benefits for the canvas user are provided. Benefits that are beneficial when it comes to negotiation, sales, and marketing, on the one side, and knowing the product values and even training new employees, on the other side. It is imagined that if a general enterprise makes losses, due to a higher number of competitors, some CEOs are commencing to lower the product / service price. Special contracts or discounts are offered to gain or retain a client. Due to personal working experience, it was experienced that especially service providers are afraid of losing a client. Though, if a CEO or salesman/-woman is aware of the advantages of the product / service, moreover, what exactly creates a value for the targeted, an urge in negotiating the price is no longer necessary (Benoliel 2015, 42–48). In addition to that, the relationship between buyer and seller has to be retained. To give start-ups an incentive of defending their price, questions are chosen in such a way that the user thinks about this topic at their leisure.

- How can we defend our price? (What is included?)
- What makes our product / service so special?
- What is offered on top of that (durability, extra service, maintenance, etc.)?
- Why is it worth it to buy it for this price?

### 5.1.8 Company's key resources

In the origin canvas, the block key sources is entailed. They are representing the internal (re)sources, hence, their strengths and weaknesses. Present knowledge and capacity of the start-up are pictured. According to data analysis, it was expressed that resources and timing are needed to determine the next steps. For the modified version, this rubric is extended and designed for future measures. The purpose is that an incentive to use the canvas regularly is provided. Therefore, forward-looking sub-questions are required. With the assistance of the question, the user is forced to think one step further. One step that describes which future resources are needed to move a single step towards vision. In this case, a

mix of strategic management in business strategy is taken place. The additional deadline is training for the CEOs as well. The clue behind the deadline is user deliberately learns how accomplishments are reached logically. Even if the deadline was not chosen thoughtfully, the deadline can be postponed. It is a learning process of strategic management and decision-making. Likewise, for identifying if the recent resources are truly visible.

- What are our current resources?
- What resources do we need to foster the distribution of the product / service in the future?
- What resources do we need to come closer to our vision?

Deadline for accomplishment: \_\_\_\_\_

### **5.1.9 Environment**

Considering the environment ensures that external sources and impacts (opportunities and threats) are analyzed. By doing so, PEST(EL), SWOT, and Porter-5-Forces are combined and finally filled out.

While a BMC devoted to sustainability was created, sustainability is synthesized in this category. Plus, it is a global trend that is going to pursue us for the next few decades. Not every product / service is designed for sustainability aspects. However, sustainability can be implemented within the entire company or supply chain and must not always be addressed to the final product / service. Reducing the amount of waste during the production process will contribute to lean manufacturing and lower pollution in total. In the same manner, if eco-friendly suppliers are selected.

- Who else could have an impact on our business (government, policies, customer demand, ...)?
- How can you contribute to sustainability (Reduction of carbon, water, waste by ...)?

It is suspected that this category may ultimately lead to irritation. The question may arise why the customer is not regarded. Conversely, the user may feel overwhelmed by the question. Especially the questions about laws, as extensive research is required.

## 5.2 The new Business Model Canvas

Putting all elements together the draft version of the canvas is illustrated in figure 10. On the top, a statement, of what the canvas stands for, is integrated. This is resulting from the survey in which it was portrayed that not everyone is aware of the BMC's purpose. The statement is capable that the unknowledge is lowered.

*Business Model Canvas*    *Bringing an idea into business*    *Date:* \_\_\_\_\_    *Next review:* \_\_\_\_\_











<p><b>1 VISION</b> </p> <p>Why do we want to sell this product/service? What is our personal dream? What is our story?</p>	<p><b>2 VALUE PROPOSITION</b> </p> <p>How do we create value for our customer? Which problem is solved? What is the product advantage? How does the customer feel while and after using our product/service?</p> <p><i>Characteristics:</i> (Design, lean process, ...)</p>	<p><b>3 CUSTOMER</b> </p> <p>Who is our customer? (Age, gender, occupation, interests, income, ...)</p> <p>Which channels do they use to obtain information?</p>	<p><b>4 CHANNELS</b> </p> <p>a) Where is our product available? How can customers and suppliers contact us?</p> <p>b) How &amp; where do we communicate with our target group?</p>
<p><b>5 COMPETITORS</b> </p> <p>Direct competitors:</p> <p>Who competitors are there when our product does not exist at all?</p> <p><i>Note: The more competitors the more likely that it is a mass market</i></p>	<p><b>6 COST STRUCTURE</b> </p> <p>What are our fixed and variable costs? How much revenue is estimated in the first year? How much product/services can be sold? Profit will be there at the end?</p> <p><i>Note: It is recommended that a separate business/finance plan is prepared.</i></p>	<p><b>7 NEGOTIATION</b> </p> <p>How can you defend our price (What is included)? What makes our product/service so special? What is offered on top of that (Durability, extra service, maintenance, etc.)? Why is it worth it to buy it for this price?</p>	<p><b>8 KEY PARTNERS</b> </p> <p>Who are our key suppliers? Which key activities partner do we perform? Which key resources are we acquiring from partners?</p> <p>Motivation for partnerships:</p>
<p><b>9 COMPANY'S KEY RESOURCES</b> </p> <p>What are our current resources?                      What resources do we need next?</p> <p>Deadline for accomplishment: _____</p>		<p><b>10 ENVIRONMENT</b> </p> <p>Who else could have an impact on our business (government, policies, customer demand, ...)?</p> <p>How can we make a contribution towards sustainability? (Reduction commission, waste by xx%, ...)</p>	

FIGURE 10: Modified BMC (Piontek 2022).

The date on the right of the top has the purpose that the canvas is used more often. This would foster the recommendation from Kaplan (2012) that the BMC has to be reviewed. The reviewing date can be set up individually. Look and feel are near to the general canvas, except the boxes 9 and 10.



## 6 TESTING

Testing was conducted three times. All the participants are illustrated anonymously. Two participants were start-ups and have been running their businesses for one and three years. Start-up 1 was selected based on a prior project, called go-to-market-plan, in 2021. Another testing was initiated with start-up 2, which is based at Platform 6 in Tampere. Both are operating in distinct market segments. Start-up 1 is facilitating products within the B2B sector while start-up 2 is providing garments directly to the end-consumer (B2C). Although both were established in 2019 / 2020, they are currently in different stages and are dealing with distinguished topics.

Third testing was conducted with person A and represents the non-professional part, who neither have a start-up nor any qualification in management. Person A is a Finnish post-graduate student in the field of economics and has never been got in touch with the BMC. An enterprise is currently neither running nor launching its own company in the future. To assure that the BMC testing is running correctly, a fictitious company idea is facilitated (Appendix 7).

### 6.1 Objective

Testing was initiated in order to identify, moreover, observe whether the improved canvas is supportive for start-ups or not. Thereby, testing shall highlight if the implemented strategic elements are chosen adequately. It was monitored which of these elements do and do not deliver any benefit when an idea is converted into business. Especially, it was also concerned with the questions. It was examined if the selected questions supportive that a vision can be formulated, next steps are derived, and finally is an incentive provided to use the canvas regularly? A further point was, whether the adapted BMC could be easily applied by people who have never been exposed to the general BMC, like it is explained above.

## **6.2 Testing procedure**

The framework for testing was prepared beforehand. It was decided that testing is commencing with a first impression of the canvas from the person. Testers were pleased to describe the canvas at the beginning. The purpose was that an overall feeling was obtained.

All testings were initiated and fulfilled between 4.4. and 11.4.2022. While testers filled out the canvas, testers were encouraged to share their feelings, and thoughts at any time. Questions were simultaneously asked when the impression was perceived that the tester is hesitant, or uncertainty was recognized. In some cases, the author was eager to ask in a deeper way to gain more insights. Thereby, it was important that no additional discussions were initiated. Feedback was only appreciated.

To make sure that person A is feeling confident in utilizing the canvas a business idea was ideated in advance. The idea was conveyed, and the option was offered to ask questions if one of them believed that some information is missing to commence with the actual testing.

## **6.3 Testing results**

Testing results are shared in the following sub-chapter and divided into two categories. In the beginning, brief feedback from the start-up and non-start-up perspectives is explained. It is pursued with the adjustments in which profound feedback from the testing phase is conveyed.

Author wants to emphasize the reader that pictures of the new BMC used are not shown in this chapter or in the appendix. The reason for this is, participants are not subjected to the risk of competitors exploiting the business advantage of the start-ups or even being copied.

### **6.3.1 Start-up perspective**

Both start-ups are already familiar with the general BMC. It was astonishing how the adopted blocks like key partners and channels were answered effortlessly. In addition, start-up 2 has reviewed and modified its BMC several times within the last two years whereas start-up 1 is recently updating it. Due to the fact that start-up 2 is highly proficient in applying the BMC, more questions were requested by the author. Start-up 1 appreciated how well the questions are stated. Those are pushing a user to think about the parts in-depth. Both parties have highlighted the cost structure and the company's key resources. Longer conversations were taken place about the vision. Start-up 1 is currently working on its vision whereas start-up 2 has already finished this stage. The reason why the vision was completely ignored by start-up 2. Nevertheless, impressive insights were perceived related to the environment and vision category.

### **6.3.2 Non-start-up perspective**

Person A has not seen the actual BMC beforehand and was directly confronted with the optimized BMC. A case study was presented beforehand to assure that BMC can be filled out. The case was the entire time accessible. BMC was used seriously by Person A during the testing. Questions conveyed a confident feeling that the ten boxes were filled out easily. Yet, it was observed person A had at some points difficulties jumping into the perspective as a founder. More support was needed when it came to company key resources and customers even though, a case study was read frequently. In terms of this, more clarification was needed for category 10. Person A expressed that it was not sufficiently clear how to move forward with the next steps. It was explained that this might be related that the business idea did not come from person A itself. Nonetheless, it was likewise examined that concerns are correlated to the feedback from the start-ups. Feedback was related to the deadline and the link between negotiation and value proposition. In addition, the clock was frequently watched by the author to identify how many minutes A was spending on each topic. Approximately 5.5 minutes were spent on average. Received feedback was more based on the rational level.

### **6.3.3 Takeaways**

To conclude, author observed that person A and both start-ups were thinking sophisticatedly, due to deeper questions. On top of that, testers were spurred on spending more time on the mutual questions. More time was needed for the vision, approximately 8 minutes for person A and start-up 1. It evidently demonstrated that some questions are leading the user in the wrong direction. However, all headings are seen as crucial when it comes to turning an idea into a business. Specifically, it was highlighted that the testers' statements regarding the vision are contradictory to the previous survey. Therefore, for the updated BMC, a thorough investigation and analysis of the vision were carried out for the second time. Since it is also being aimed that more strategic elements are included in order to encourage a better decision-making process, further adjustments are necessary. The order of the categories has to be changed as well. Results of the testing phase are compromised in the following. Simultaneously, changes are explained and finally, the improved BMC is portrayed.

### **6.4 Adjustments**

Before the three testings were initiated, author changed spontaneously the order of the model. This is related to the fact that author is assuming that before a business is established, founder might be totally aware of the purpose why he / she is running one. Thus, it makes for the author sense that vision is ranked as number one. Since the hypothesis was that the vision statement should be placed first, the author alternated the placement vision with the VP to test the hypothesis better. (May 2002, 124; 152.) Albeit this was only a testing phase and discussions are usually held only at the end, the author encouraged all testers to share their thoughts at any time. Likewise, when the feeling occurred that testers are stuck, precise questions were requested by the author.

Adjustments are not affected on value proposition, key partners, and competitors. Admittedly, with two exceptions, the hint towards characteristics in the value proposition is going to be erased likewise the second question in the box of competitors.

#### **6.4.1 Vision**

Discussion with both start-ups conveyed to the author the feeling that a decent knowledge and meaning about vision is not there. While the first survey analysis concluded that survey participants are feeling confident formulating a vision, the testing phase, though, pointed out that it is not the case. Instead, it was more guided by the mission statement. Feedback from start-ups' perspective is that vision is ranked too intangible, and it would be inconvenient to implement this in the novel canvas (Appendix 9, 9(10); 10(10)). However, vision is linked to strategy and has immense power as it was researched in the first phase. Consequently, an alternative approach is required, due to the divergence statements. Ultimately it is aimed to avoid more start-ups failing within their first years. Therefore, relevant questions and hints are needed. These are continuing to foster future decision-making while these are aligned with the overall reason or purpose why the start-ups were once established.

The good part is, though, inside the vision two further elements are entailed which are mission and objective. According to figure 2 in chapter 2, mission and objective are put on distinct levels inside a company. Nonetheless, it is now crucial to know how vision, mission statement, and objectives converge from each other.

Vision is concentrated on the how of an enterprise or organization, according to Goldberg (1998). The how is unfortunately not further explained. In contrast, in Lashway's book leading with vision (1997), it is highlighted that there is no single definition that unifies the meaning of a vision, likewise, it is mentioned by Simon Sinek, although all of them are expressing what a vision makes so special that is needed to have one (Sinek 2020; 0:01–0:14). In short, vision is similar to a dream or belief. People are in their inner convinced about it. It is an intangible vision that cannot be gained within a few years. Sinek is firmly of the opinion that by verifying

three attributes it can be proved if the belief or dream is a good stated one. The dream must not only be clearly formulated but formulated in such a way that it is encouraging. So that challenges, such as social and technological changes can be overcome. Furthermore, Sinek argues that a dream is inclusive and thirdly, service-oriented. (Sinek 2020; 1:55–4:25.) Latter one can be linked with a company's values and behaviors. Both are belonging to the vision as well. Values are demonstrated outside of the company by the product and its additional marketing activities. It is a part of branding as those marketing activities can if they are addressed and played on the right channels well, enhance a company's reputation. (Kapferer 2004; Kotler, Armstrong & Harris 2016, 8; 26–29.)

“Values are deep-seated beliefs that are so important to people that they influence actions.” (Goldberg 1998.) In simple terms, this means that values are hidden in a vision. Ultimately, exceptional and believed values are leading to the purchase of the products / services by the customers. Supplementary to this, a great impact on employees is given by a vision. Employees are also selecting their employer based on its vision and values. Especially how these are lived internally. People want to be attracted on an emotional level and want to feel they belong or are even needed as supporters. In most cases, a vision cannot be realized by one person alone. Only a group makes it possible for a vision to be attained. (Kantabutra and Avery, 2010.)

In comparison to the vision, the mission is the first subordinated category and is not similar to a vision. Nevertheless, mission and vision are overlapping in a precise way as they assist each other (Stack 2016, 29.) Lashway continues that the mission provides information on why the company was found at all. It is seen as the overall purpose. (Lashway 1997, 23.) Goldberg (1998) defined the mission has to be expressed as what an enterprise or organization is doing. Real actions so that the vision is fulfilled (Jordan, 2017; 4:18–5:21). Incorporating in this part personal values, moreover, values of a start-up provide not only an individual touch but also assist that consumers are attracted by the vision statement. In addition, how a CEO is treating their consumers and employees conveys much information about the entire values of the company. (De Kluyver & Pearce 2015, 16.) Start-up 2 determined strongly that a mission is better to grab as it is mid-term oriented. The reason is that due to several circumstances it can come to the

point that the start-up is going to vanish suddenly before it has yet fulfilled its first mission. (Appendix 9, 9(10).)

In practice and for adopting mission into the BMC, what could a derived mission statement look like? A great development is shortly introduced by the fictitious business idea. The vision is a single application shall provide that people no longer waste their time in looking for proper tenants, apartments, or houses in which communication and all required documents are uploaded and data protected. The mission statement or the purpose of why the idea shall be transferred into a business is to convey joy instead of stress and frustration when looking at proper properties. This would be the goal that has to be achieved first. The goal is belonging to sales, acquisitions, and marketing activities. Simultaneously, VP is defined due to the mission statement. In a graphic of branding, designed by Aaker (2010), values are included VP. As a result, the mission could be more beneficial as this is connected to the value proposition. Finally, until the mission statement is not satisfied and reached the vision cannot be realized one day.

Since the mission statement is long-run-oriented, shorter objectives are leveled beyond that. Objectives are the real actions and are executed on a business level. Derivative measures are noticed as decision-making, like it was explained in chapters 2.3.4 and 2.3.5. Hence, the circle is going to be closed. Indeed, and this has to be emphasized again, direction and decisions may change—which means the strategy—frequently, however, the overall goal is remaining. (Stack 2016, 29.) This is confirmed by start-up 2 as well (Appendix 10, 10(10)).

In sum and to visualize this, vision is the top of the mountain. A mission statement is supporting that a start-up gets started with climbing. The objectives are necessarily required to decide on short notice which way it has to be pursued so that ultimately the stage is passed. If the first stage is accomplished, another mission is subsequently needed. Another motivator that is still aligned with the overall vision. (Table 1.) Merging this with the received insights, the hypothesis can be announced that start-ups are not in the phase to tell their vision in a clear manner during the beginning phase of business foundation. The hypothesis continues the vision is a topic that will be developed simultaneously, yet, not in the beginning phase of an establishment. Commonly, start-ups do not have any experience in

guiding a company nor are they professionals in selling goods and services accurately. Closing deals with investors and distributors, plus making their company slightly famous are more important. Consequently, vision cannot be formulated due to less time (Appendix 9, 10(10)).

1) VISION	2) MISSION	3) OBJECTIVES
<p>What is my personal dream and how can this be achieved with the start-up? What is aimed to accomplish in the long run? What is strived to change in the society/world? Which values are presenting the dream?</p> <p>⇒ Branding</p>	<p>Why are we doing this at all? What is the purpose of introducing our product / service?</p> <p>Which part of the dream can be realized within the next three to five years?</p> <p>⇒ Connected to VP</p>	<p>What actions are now required to go on this mission?</p> <p>⇒ Decision-making</p>

TABLE 1. Meanings of vision, mission, and objectives. (Piontek, 2022).

Considering feedback, both start-ups were talked about the mission statement a lot. If the mission statement is a truly, better motivator, the mission is chosen for the BMC. Instead of using the title of mission statement, motivation is seen as logical approach. Especially, in times when many issues must be solved. Nevertheless, reconsidering implementing, for instance, values or beliefs may help that the vision formulation can be determined after two-three years. Objectives are already included in the BMC and defined as next steps.

#### 6.4.2 Customer & Channels

In the preliminary stages of BMC optimization, it was decided that customer behavior (which channels are used to obtain information) should also be researched



by the user. Thus, suitable marketing channels and media (Instagram, magazines, etc.) would be gleaned. The block channel, on the other hand, asked where the product or service could be purchased (website, social media, amazon). Both questions were answered handily. However, feedback was reflected that the questions were irritating and coincidental, varying only in the way the questions were phrased. Consequently, it was revealed that the divergence of the questions was not detectable. Since repetition and confusion are to be avoided, the question was removed from the customer and optimized at the channel. (Appendix 8, 3(7); Appendix 10, 3(9); 4(9).)

### **6.4.3 Cost structure**

The cost structure was welcomed by the tester. Notably, the consideration of how many goods or services could be sold realistically within a year (Appendix 8, 3(5); Appendix 9, 4(10)). Astonishingly, exact numbers were not calculated by a person without a background in business. Though, it was written down what the fixed costs are related to building the business whereas advertisements, etc. were addressed as variable costs (Appendix 10, 4(9)). The note about the finance plan was unfortunately not beheld. Feedback was received to implement a clue asterisk (Appendix 8, 5(7)). Another tester separately agreed on it as it was double proved (Appendix 10, 9(9)).

A backup version of the rubric cost structure was designed, incorporating a table. Although all testers were able to answer the cost structure questions, the author asked whether a table was preferable. The alternative presented was favored. The hint after the separate financial plan was overlooked by all. Though the start-up who utilized the BMC more often mentioned that the asterisk related to the financial plan would have helped them in their earlier stage. In addition, it was recommended that the note is added if the start-up does not have the sources to seek for it straight away. (Appendix 9; 8(10).) This hint is deemed to be highly informative for the author.

#### **6.4.4 Negotiation**

Negotiation is a new category aimed that, on the one hand, VP can be explained more proficient and on the other hand that price is defended. The link to VP was noticed by all testers, though, not appreciated. The impression was observed that questions are doubled and not as essential as it was thought by the author. From the start-ups, likewise, from the non-experienced person, the idea was shared that proper questions are needed and questions related to discounts and objectives. (Appendix 8, 5(7); Appendix 10, 5(9).) Start-up 1 mentioned that this category is innovative and a great enhancement for the entire BMC while start-up 2 expressed its concerns that also negotiation is something that is learned by experience (Appendix 9, 4(10); 5(10)). It is agreed on this thought. If both parts of feedback are merged, it can be finally said that providing a frame for negotiation pitching and bargaining can be bargained effortlessly when dealing with distinct negotiation personas.

#### **6.4.5 Company's key resources**

This novel category was welcomed by the start-ups. Nevertheless, both parties (person A and start-ups), expressed their concerns about the deadline, due to the argument that the deadline would lead to pressure rather than as a motivator. This was notably underlined with the following statement.

...we don't have anything yet, only this canvas. This is our company basically right now. It is not even registered and even now we put a deadline. It's a bit scary. (Start-up 2, 2022.)

The purpose of adding an incentive to train project management and decision-making is, according to the feedback, failed. Nonetheless, future businesspeople do not perceive the feeling of pressure even if their company has not been founded yet. Another pertinent point is start-ups are looking from week to week and not in bigger steps so that the advice of seeking an approach to solving lacking knowledge was conveyed.

I would here immediately say: Take a look of your team and what type of resources and knowledge do you have in your team. If there is some part lacking? ...If there is, find the person now and not later! Like now, even before you established the company, because it's much easier than later. (Start-up 2, 2022.)

Despite this hint that will support start-ups a lot, it is wondered how this can be adopted into the canvas.

#### **6.4.6 Environment**

The overall word environment caused uncertainty for the testers, although feedback regarding the chosen questions was positive. A recommendation was that the block should be separated. The title for the first new box should be titled stakeholder or business environment. Questions related to government and policies are remaining while further aspects are persuading. Simultaneously the thought was shared that integrating the stakeholder theory would be a tremendous change for the BMC.

This is interesting. Instead of environment, I would put the stakeholders. And you can put here the stakeholder theory, and this would be, boah, massive. That would be the biggest changer. The traditional business canvas is still attached to the traditional business paradigm that you are thinking about shareholders and just to you make profit at the end. (Start-up1 2022.)

Indeed, it was aimed that environmental aspects, like customer, government, and society are considered as well. The stakeholder theory is based on that. The definition is that external as well as internal aspects will influence the business activity. Hence, a business should always be taken into account, like ethical aspects and concerns from customers, society, suppliers, government, and ultimately the investors. (Phillips 2003.) Although and even if multiple themes are considered as it was expressed by start-up 2, it is impossible to implement all essential factors (Appendix 9, 5(10)). Consequently, it is further up to the start-up which factors are seen as crucial and which are not. The second rubric is sustainability and will remain as it was designed in the first place.

### 6.4.7 Business idea

Besides the innovative categories and blocks that were acknowledged as supportive, one start-up advised that no possibility is entailed that the business idea can be described (Appendix 8, 3(7)). Indeed, every user should have the option that the idea is noted. Related questions are

- What is the idea of our product / service?
- What do we want to offer?
- Why do we want to bring the idea into a business?

### 6.4.8 Final Order

According to the feedback, the order was optimized as well. Person A was, for instance, asked if it is preferred to have numbers or shape a general category in which some topics are incorporated. The reason is that the author was thinking about users who read and write from right to left. Moreover, people tend to start with questions or headings which are easier to be answered from their point of view. Therefore, a precise order is no longer pursued, which is displayed by the numbers 1-11. Nevertheless, the structure or order is influenced by the prioritization of the testers as well as the habit of writing from left to right.

Similarly, it was noticed name and slogan, which is bringing an idea into business, were not specified by any of the testers. As a consequence, the name and slogan were bolded, illustrated in capital letters, and the font size was enlarged. The date and next review were put down so that users are forced to set a timing for the next review. This change was based on observation. No attention was paid to it at the end by the testers. It is also imputed that once the BMC is answered, in this case from left to right and from the top to the bottom, no one will go back to the top to write down a date and next review. To be enabled to make the desired change, testers were enquired whether the date and next review would be completed if they were located in the lower section. Also, the author wondered if the tester would be encouraged to use the model on a regular basis, not only to detect

business developments but also to react to changes and adapt the concept. (Appendix 8, 6(7); Appendix 10, 7–9(9).)

## **6.5 Design testing**

Due to received feedback and tiny adjustments, an optimized version might have been designed which is now more aligned to the target group. Thus, different feedback regarding the order and the analysis of vision was collected several options were created. In sum, seven versions were drafted (Appendix 11). The author pleased one start-up and person A to have a look at the different design versions and tell the author which one is favored and why. Thereby author reminded both parties not to make their decision-making based on personal taste regarding the look, rather than on which structure would be the proper one. This ensured that a final version can be presented at the end of this investigation. A final BMC that is geared and tailored towards the target group.

A converted PDF version was sent via what's app on 27.4.2022. Feedback was received in form of a voice message as well as a PDF document one day later. Person A selected version E. While start-up was overwhelmed with the varied versions, the author narrowed the versions down so that solely versions E and G were the favored ones. Even though the start-up's selection was limited, version E was favored as well. The author decided not to ask further questions to avoid influencing their decision-making. The reason why it was selected is that the structure is more clearly compared to the other ones (Appendix 12).

## **6.6 Final BMC**

After tiny adjustments were made based on the feedback and listening again to the recordings a final version is now presented (Figure 11). Overall, numbers are eliminated, instead, categories are closely clustered. The 13 boxes are divided into 4 generic blocks. The left part is belonging to the company itself. In the beginning business idea is put, followed by the VP and customer relationship. In the

first block, it is not only included the idea, but also the reason why the idea is turning into business soon, and the benefits it will carry out for the end consumer. Channels questionnaires are extended and are more related to the customer journey as it is portrayed in the general one.

**BUSINESS MODEL CANVAS** Bringing an idea into business

<p><b>IDEA &amp; KEY ACTIVITY</b> </p> <p>What is the idea of our product/service? Why do we want to bring the idea into business? What do we want to offer?</p>	<p><b>VALUE PROPOSITION</b> </p> <p>How do we create value for our customer? Which problem is solved and what is the overall advantage? How does the customer feel while and after using our product/service?</p>	<p><b>KEY PARTNERS</b> </p> <p>Who are our key suppliers? Which key activities partner do we perform? Which key resources are we acquiring from partners? Who key partners have the capacity to collaborate with us at most?</p> <p>Motivation for partnerships and their benefit: Reputation, Gaining new clients, contribution to sustainability</p>	<p><b>CHANNELS</b> </p> <p>On which channel is our product going to be promoted and where can it be purchased? (e.g. website, third parties)</p> <p>How/Where will the target group become aware of it? (Social, broadcast, distributors, cold calls, flyer etc.)</p> <p>How can customers and suppliers get in contact with us? (Mail, Call, Service center, SMS etc.)</p> <p>What can we do in order to avoid complaints and delivery issues?</p>								
<p><b>CUSTOMER RELATIONSHIP</b> </p> <p>Who is our customer? (Age, gender, occupation, interests, income, ...)</p> <p>What is important for them regarding to our idea?</p>		<p><b>MOTIVATION</b> </p> <p>Why do we want to sell this product/service? What is our mission, dream, moreover, our motivator? Can we change society/environment/ world somehow?</p> <p>Based on that, what can we accomplish within the first three years?</p> <p>How do we want to be treated when working on this (values)?</p>									
<p><b>COMPANY'S KEY RESOURCES</b> </p> <p>What are our current resources? Is there anything lacking in order to go further?</p> <p>What resources do we need next? Is it worth it to invest it now? Which benefits will it bring to us?</p>		<p><b>COMPETITORS</b> </p> <p>Who are our competitors? What is their price range? What makes them so unique or what is perhaps their weakness?</p>	<p><b>STAKEHOLDER</b> </p> <p>Who else could have an impact on our business and why? Is there anything that we should consider?</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Customers (demand, trends);</li> <li><input type="checkbox"/> Suppliers (negotiation power);</li> <li><input type="checkbox"/> Government (policies, regulations);</li> <li><input type="checkbox"/> Society;</li> </ul>								
<p><b>COST STRUCTURE*</b> </p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%; border-right: 1px solid black; padding: 2px;">Fixed costs</td> <td style="width: 25%; border-right: 1px solid black; padding: 2px;">Variable costs</td> <td style="width: 25%; padding: 2px;">Estimate Revenues</td> <td style="width: 25%; padding: 2px;">Estimate Profit</td> </tr> <tr> <td style="border-right: 1px solid black; padding: 2px;">Total</td> <td style="border-right: 1px solid black; padding: 2px;"></td> <td style="padding: 2px;">Surplus for investment?</td> <td style="padding: 2px;"></td> </tr> </table> <p><small>*Note: It is recommended that a separate business/finance plan is prepared. Especially for gaining new investors.</small></p>		Fixed costs	Variable costs	Estimate Revenues	Estimate Profit	Total		Surplus for investment?		<p><b>NEGOTIATION**</b> </p> <p>What discount can we offer at least? And what are the conditions?</p> <p>What are the margins for third-parties (distributors, supermarket etc.)</p> <p><small>**Value Proposition will assist to explain price &amp; quality of your product/service</small></p>	<p><b>CONCLUSION / WHAT IS IMPORTANT NEXT?</b> </p> <p>Are the single strategies still align with our mission?</p> <p>Next review:</p>
Fixed costs	Variable costs	Estimate Revenues	Estimate Profit								
Total		Surplus for investment?									

FIGURE 11. The final result of the modified BMC. (Piontek 2022).

Beyond that motivation and company key resources are portrayed. Since several attributes are hidden in the huge word vision, the question about how the group wants to be treated themselves is the closest one toward a vision. Due to the questions about motivation, it is assumed that company's key resources and finally, the next steps can be answered in a better way. On the right side, external impacts and sources are depicted. First, suppliers and channels are illustrated. In particular, in the field of channels, a further question is integrated which shall support that marketing activities can be derived easily by that. Afterward stakeholders, competitors, and sustainability are the next boxes that have to be answered.

In the grey area, which can also be interpreted as the third part, cost structure, negotiation, and finally conclusion (next steps) are listed. While cost structure is put on the left—hence part of the internal factors—, the negotiation has been placed in the middle area or as the last category. This is because it was ranked as less important compared to the other categories. As a result, this category is marked with a tiny pennant and the word later. The background is that the user of the canvas can decide whether this box should be answered instantly or later. The last box conclusion asks again what next steps are necessary after the BMC has been answered in detail. Avoiding pressure from the outset, the recommendations of the testers were complied with, so that only the short sentence next review is given, as well as the request of the individual strategies, are in accordance with the motivation. On the other hand, it is also intended to strengthen the decisions made based on well-founded research. Furthermore, it should be assured that the next steps are documented in writing and finally implemented in the operational business.

## **6.7 Testing Summary**

Conduction of testing with non-start-up and start-ups was a great initiative. On the one hand, it was proved that both parties are capable of filling out the canvas. In addition, with the assistance of testing, it was observed which parts of the innovative concept are guiding in a greater direction or not. On the other hand, major insights were discovered and received while profound discussions were initiated during the testing. Consequently, pitfalls and misleading are avoided.

A few new boxes, such as cost structure, internal resources, and environment which is now converted towards stakeholder theory are appreciated and recognized as extremely supportive for start-ups. Notably, these are seen as the most innovative enhancement. Questions are providing a certain framework and guide the user in a way to think about the idea in-depth. All testers needed more time for the single blocks, due to the deeper questions. Otherwise, the most important box writing the concept down was missing and demanded by the start-ups. In addition, it was noticed that topics, like key partners and key activities, were a great achievement by Osterwalder and relevant when a business idea is going to

shape. However, hints, like motivation key partners, and characteristics were visioned as less important. Perspective from start-ups related to vision, and mission, was highly appreciated and indicated that a vision is not close enough to the business operation level. Similarly, the deadline, which was implemented to foster time management, was rejected. It was more acknowledged as an unnecessary pressure, notably when it is objected to realize a simple idea into a business. Moreover, the canvas is assistance that the idea will be clearly described. On top of that, the canvas shall what next steps have to be done. Nevertheless, adding the next steps as well as a review is an incentive that the canvas will be used more often.

Regarding the final order, varied options were obtained. Despite of this, the majority is recommending commencing with the idea, followed by the mission statement. Even if the start-ups and non-start-ups are not familiar with the general meaning of a vision, it illustrated that a mission statement is more demanded. A mission statement is closer to the operational level. Thus, the BMC is spread globally, and concerns regarding a rigid order appear. The reason is, in some countries, people are reading and writing from right to left. This would not be considered by the novel one and was taken into account for the adjustment part.



## 7 CONCLUSION AND RECOMMENDATIONS

### 7.1 Relationship between BMC and strategy

With the assistance of this investigation, it has been noticed that the BMC, launched by Alexander Osterwalder (2010), is perceived as a great start for bringing an idea into a business. It is the most famous and used canvas. Nine boxes are entailed. It is up to the user how the canvas is used. Notes can be made in form of drawing or writing. Due to the hype in public as well the usage at universities, people are obtaining the impression they are going to succeed after these nine boxes are answered. Most of them are assuming this is even happening immediately, although it has never been mentioned or expressed by Osterwalder. Unfortunately, the opposite is the case many start-ups are failing, due to various reasons. Until now, the BMC has been redesigned several times. In some of them, hints are conveyed that categories can be answered simpler. An extra canvas was created for sustainable enterprises, in which the canvas was broadened by two further boxes. From the perspective of innovative products, it is recommended that the BMC is reviewed, verified, and modified frequently. Those companies that launch a product / service and disruptively change the entire market area jeopardized. When unprecedented markets or revolutionary products are suddenly served or offered, it is common for companies that have similar products to attempt to enter and compete in that market as well. They are striving to possess some of the market shares as well. It must be emphasized that such disruptive innovations hardly ever occur. Conversely, from the perspective of a start-up, a review of the BMC could be extremely helpful in promoting gradual growth. Routine screening enables to identify which activities of the company need to be optimized for this purpose.

In addition, there are a lot of discussions about whether the strategy is or is not entailed. According to the report from Burkhardt et al. (2011), people suspect it is included in the business model. Thereby, varied assumptions were told from the testers' perspective on how strategy is linked or even overlapping with the business model. Exactly the same was demonstrated through the initiated survey. People are assuming that strategy is considered. Their assumptions were ranked

between 3 (=somehow) and 5 (=it is definitely encompassed). It was not asked further why this is believed, though an interesting investigation for the future. In the same way, it has been revealed by research that the VP is the most important box. It is geared closely to the approach of (service) design thinking as well as the rudimentary thinking of a vision. And eventually, vision is connected to strategy. In contrast, the BMC is viewed from a different perspective by Barbara Spencer (2013). Spencer argued that BMC is needed and is the basis so that an overall strategy is going to be formulated. This argument is not wrong and thus justified as it rather focuses on the generic corporate strategy. It is the part of the strategy in which branding, values, and even the vision are developed and summarized as corporate identity.

A relationship between the BMC and strategy was created when the BMC was designed. Several business analysis models and techniques have been implemented by Osterwalder. Models such as SWOT, Porter-5-Forces, and PEST(EL) have been used. On top of that, the customer journey to activate sales and marketing activities is incorporated in the recent BMC. These models are hidden and not recognized straight away, similarly to the connection between VP and vision. In general, these models are usually applied when it comes to corporate business. For instance, when a company is looking for an opportunity to enter new markets or widen its shares within its current market, or simply when new products are launched soon. With the assistance of those models, proper strategies and concrete actions can be derived. Admittedly, these issues are initiated and discussed at the corporate level, though the purpose and objectives are completely different from Spencer's strategy statement.

Furthermore, strategy is found on each level and in every single business unit of a company. Strategy is utilized for the entire company as an example when it comes to branding. It will be developed in which direction an enterprise is going to be persuaded in the future. How this is aligned with its values and vision as well as how it is aimed to be perceived by its end consumer. Strategy is also found on the business level, in which it is concentrated on fulfilling the corporate strategy. Lastly, strategy is as well used on the operational level. Concrete actions are introduced to move closer to the main strategy. Especially on this level,

unpredicted challenges have to be faced. A level at which start-ups are usually positioned. All of them are built on each other and decision-making is required.

Regarding the canvas, it is in sum only a tiny odd of strategy elements and not the entire part of those models that are found in the BMC. Osterwalder did not consider that conclusions or next steps are derived from that. Those are simply not illustrated in the canvas. Moreover, it was examined that it was not aimed to do so. Continuing with Spencer's argument, strategy formulation is based on knowledge, research, and rational thinking. Profound research, for instance, on the market and competitors' bid prices, makes it possible which strategy should be selected in terms of pricing (low-cost or high-cost strategy). And yet, there is neither space nor a hint given on the canvas for the conclusion derived from this. Still, these are necessary to decide which strategy or steps are pursued next. That weaknesses and opportunities are identified inside the company as well as on the market are, particularly, fundamental for the company's development on the corporate level. However, it can also be argued that these decisions are made immediately and, above all, unconsciously.

## **7.2 Vision and implementation of further strategic elements**

Subjected to the previous thesis research, it was mentioned vision is overall categorized as the original beginning point of strategy. Experts, like Michael Porter (1994; 1998) or Peter Drucker (2007), evidently emphasized that decision-making is made more effortless when a vision exists inside a company. Visions are supremely unimaginable ideas of a person. From the definition, it can be asserted that such dreams are not only immaterial but also hardly achievable. Like the vision of Elon Musk. In addition, vision is always connected with making the world better and / or life simpler than it was before. The vision is clearly described and easily understood by others. From my point of view, effort, courage, willingness, and discipline are required to accomplish the vision in the long run. Plus, consumers are supporting and purchasing products from companies that have a shared vision, me included.

To widen this investigation, questionnaires were applied as a second step to identify whether start-ups are currently capable to define one, based on Osterwalder's BMC. Astonishingly, the collected data indicated that the majority is assuming being able to define one. If the vision is noticed by experts as the crucial one, the one which is the link between all strategy levels, and founders assuming that their vision can be easily expressed, it was crystally clear the vision needs to be merged into the BMC. However, the opposite was experienced, during the testing phase of the novel BMC. While start-ups were forced to think sophisticatedly about their vision, difficulties to write it down appeared. It was indicated knowledge about the meaning, and its urgency is not completely there. Longer discussions were initiated. Vision is seen as too intangible, and not easy to reach for a start-up. It was argued that many obstacles must be overcome and that an unreachable vision may not assist. Especially, when the start-up may be failed. Instead, start-ups felt more confident as the mission statement was discussed.

When experts and investors are almost forcing start-ups to formulate a corporate vision, however, at the same time the start-ups do not feel capable, can a mission statement help a vision to be formulated more easily in the future? Another relevant question, which the author thoroughly pondered, is whether a mission statement is truly sufficient to maintain or even promote motivation. Plus, can a mission lead to the right decisions being made pragmatically and rationally in difficult times? The combination of both, talking to start-ups and repeating research have shown a mix of vision and mission statement may help at most. According to the two start-ups, a mission statement is a better choice as it is more concentrated on shorter goals. Though, it is not assured that the mission statement conveys the needed power when facing boundaries. Due to the fact that much more is incorporated into the vision, some attributes were depicted and merged with the mission. Attributes such as beliefs and values were picked and incorporated into the BMC. Answering the reason why the idea is brought into a business serves the required motivation. Values assist that identity is designed later on whereas a clearer and closer mission statement conveys the feeling that it is accomplishable.

Apart from the vision and concerning the previous research, it was wondered whether the vision is the only element that lowers the likelihood of vanishing from

the market. Normally, start-ups are younger founders and less skilled in decision-making. Another aspect that leads to this question is that the world is evolving at an accelerating pace, where the impression arises that there is less time for preparation. It is preferred instead of increasing one's expertise and knowledge on one's own to search for the right answer on the internet. Nowadays, it is much more appreciated and somehow expected that all considerations and information are delivered immediately so that one does not have to invest more time with research and thinking. An example is developing a business or financial plan after the BMC has been completed. However, when managing a business, much more is required as more is demanded. Another factor that guided the author to the assumption the general BMC is no longer up to date. Thus, it was additionally contemplated what other strategic elements and business topics, besides the vision, would be conducive to updating the canvas. Notably, at the stage when it is aspired to convert an idea into a business. With this, it is aimed that start-up's growth can be supported. Generally, the better solid research is conducted in advance, the better objective decision-making can be enhanced. And this should be enabled in the future with the assistance of the BMC. Ultimately, an approach was also sought as to how the sustainable canvas can be synthesized into the BMC since the topic of sustainability is vital for every company in the present day.

The in-depth analysis of the whole BMC was done from a non-professional perspective. For providing adequate support, selected questions, on the one hand, force the user to think sophisticatedly about the idea. On the other hand, those are providing a solid framework to continue with the establishment. Consequently, further adaptations were carried out in diverse directions. Looking at the cost structure and financial plan, the testing phase indicated estimations about how many products or services can be distributed and sold. The hint referring to a financial plan was highly appreciated. It was expressed that this would have helped both start-ups much more. New categories were introduced, such as negotiation, competitors, and next steps. The testing phase of the entire novel canvas indicated that those implementations were highly welcomed by the start-ups. Furthermore, it was also presented that even non-professionals or people who do not take into account founding a business are capable of utilizing the modified BMC. Another essential observation was the idea of merging stakeholder theory was recognized as extremely supportive. It was mentioned that people do not

always consider law restrictions, for instance. However, the test phase also revealed that some integrations are inappropriate. Therefore, the integration of some further parts of the Porter-5-Forces was considered unnecessary.

All in all, the second stage of collecting data was rated as beneficial. Not only that it was proved questions and updating the entire canvas was the right solution, but also that the canvas is still geared to its target group. As a result, it was once again continued with further adjustments, while considering feedback and putting received insights in the BMC as well.

The updated BMC has been expanded and now includes in sum 13 categories. The purpose of the BMC is indicated in the header. This should lead that the purpose of the BMC being conveyed to the user. The categories are divided into six fields, due to their links to each other. The field negotiation is tagged with the note later. This is to clarify that it does not need to be answered immediately. On the left part of the BMC, it is all about the company whereas on the right-side external collaborations, like suppliers and stakeholders are illustrated. To unite vision and mission, the term motivation was chosen. The free choice of drawing or writing is no longer an option, due to the detailed questions. The reason is, with the in-depth analysis it is aimed that the idea is much better shaped for the shift into a business. Moreover, the idea should address the customer's needs and be tailored to the customers. Furthermore, the questions are intended to reduce the risk of failure. The consideration and handling of and with stakeholders as well as the influencing and endangering of external factors are topics that are not only relevant at the corporate level but also lead to better solutions to obstacles at the business and operational level.

### **7.3 Recommendations**

When it comes to adjustments, many pros and cons must be evaluated. Indeed, this innovative BMC is not solving and frankly preventing start-ups from all unpredictable circumstances. Though, a better framework is provided that facilitates more certainty in the beginning phase. An incentive is provided that the next steps are written down, which simultaneously should increase the frequent usage of the

BMC. All this is ensured by the additional block Conclusion / Next steps. Notably, this was confessed by the testers that this would guide start-ups to use the BMC again and again. Despite the positive feedback, concerns regarding the business model innovation and looking at the canvas frequently appeared recently. Are the questions properly selected? Are they guiding into a fixed direction so that less flexibility is provided? For how long can and shall this canvas be used? Is a start-up, which has been running its business for a few years now, still dependent on the BMC? Otherwise, it is expressed that the BMC is, especially after this update, only designed for bringing an idea into a business. It is also assumed that start-ups know when it is time to use other tools to continue with growth and developing a brand identity, for example. Nevertheless, thinking about the idea that is going to be set up in a more sophisticated way helps to avoid the first pitfalls. It must be emphasized there is no guarantee that one single canvas, in this case, the BMC, will allow unpredicted challenges to vanish in the future. There are always unforeseeable events that will be popped up. Having a business is ultimately equal to a rollercoaster. Yet, the rubric of motivation is seen as crucial that challenging times are tackled even better. Furthermore, it is also the first approach that a vision statement or brand identity for future marketing activities can be developed later on. Eventually, the adapted version of BMC has the opportunity that some obstacles are not appearing as they are dealt with in advance.

Since testing has been executed with three people, further investigations are essential so that the results of the innovative BMC are extrapolated and valid for the entirety. Similarly, to the questions. It could be considered to involve an expert in psychology to observe if the questions are not misleading, handy, and simple to understand as well to answer. Nevertheless, testers agreed that the innovative BMC would have helped them more and is doing it now compared to the usual one. And this is what it was looking for. Evolving a novel BMC that provides a positive feeling and guides the user to a decent preparation before the idea is going to be launched. Even if it is nowadays easier than a business to be set up than ever before, circumstances will not vanish. Though, with the assistance of this canvas, those can be reduced.

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## APPENDICES

### Appendix 1. Design Thinking

Design Thinking is a modern way how products and services are shaped nowadays. Thereby, the customer is the center, and the innovation is designed from their point of view. There is no exact guideline on how Design Thinking is used, or which method is seen as the best. It is more or less a process with five stages: Empathize, Define, Ideate, Prototype, and Test. (Göldi. 2020.) In some cases, stages are used simultaneously or subsequently. If the team / company is stucked within the process, stages are iterated.

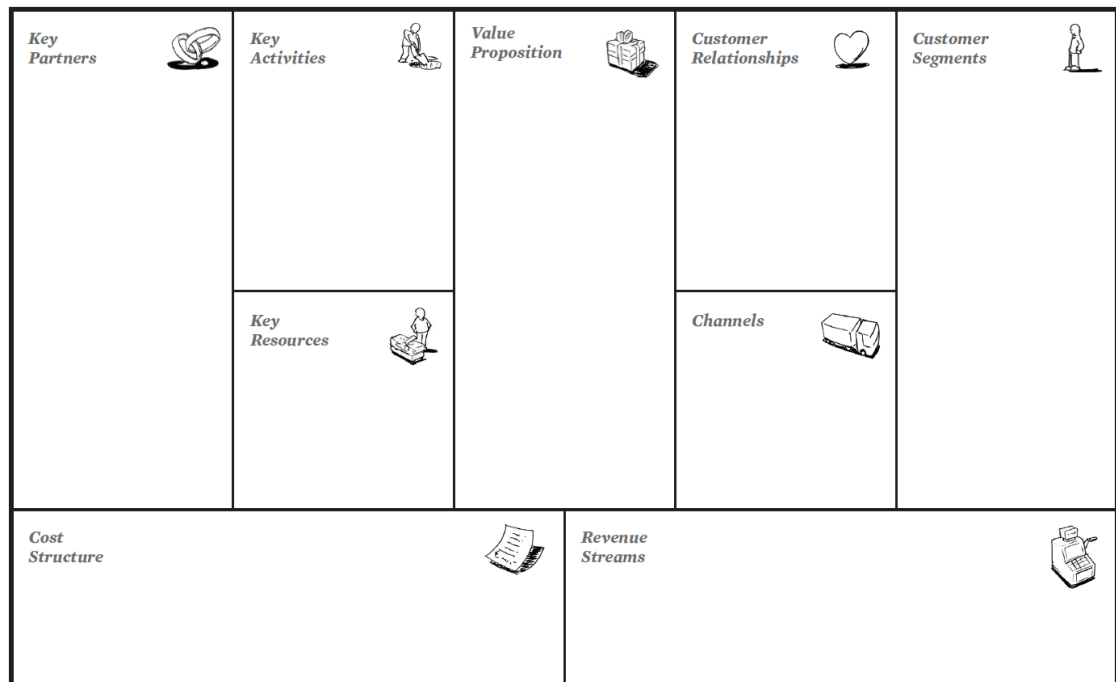
Design Thinking shall lower than a launch or release is going to fail. There is a rule that nine of ten of goods and services will disappear from the market as soon as they were launched (Weber 2012, 1265–1266). According to a report by professor Clayton Christensen from Harvard Business School, that accounts for 95% of newly launched products are failing annually (Inc n.d.). Further aims are that rigid companies are separated from silo-thinking and issues are looked at it from distinct perspectives. Design Thinking is applied to widen the creative capabilities of people and companies (Göldi. 2020).

## Appendix 2. Business Canvas Model

The Business Model Canvas (Osterwalder et al. 2010, 44)

1 (2)

### *The Business Model Canvas*



*For a large poster-size version of The Business Model Canvas, visit [www.businessmodelgeneration.com](http://www.businessmodelgeneration.com).*

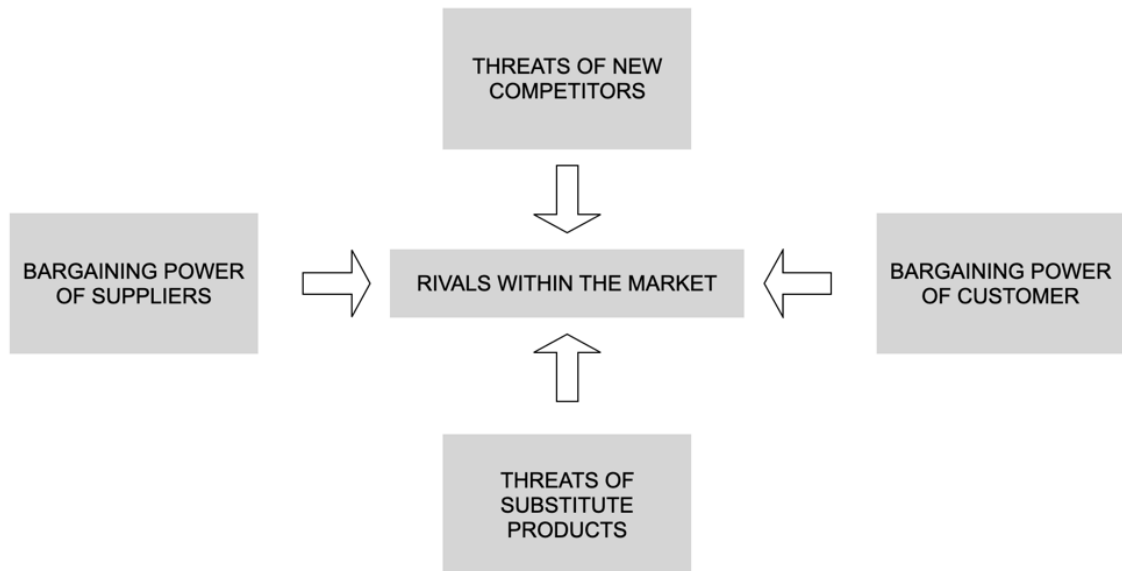
In the meanwhile, multiple optimized versions can be found on the worldwide web. In addition, there is an extra canvas available that is only targeted to enterprises with a sustainable aspect. Nevertheless, the modified BMC is mostly oriented on the following canvas as more elements such as the date and sub-questions are implemented.





### Appendix 3. Porter-5-Forces

The model represents external factors including market rivals. (Evans 2014, modified). It is based on the Porter-5-Forces graphic from the book 25 need-to-know strategy tools written by Vaughan Evans (2014).



#### Appendix 4. Model of SWOT-Analysis

Due to the fact it was experienced how different the model is used, a SWOT model was self-designed. Author made diverse experiences with how the model is applied. One option is that the most beneficial strength will be chosen which beats the hardest threat at most and vice versa for the other fields. This simply means one concrete internal strength is matched with one threat and another one with one opportunity. This is also addressed when internal weaknesses are compared with opportunities and threats that are existing or are predicted within the market. The other option is that as many arguments are listed in each category. Nonetheless, the self-created model is based on the model described in the book *Strategic management in emerging markets: aligning business and corporate strategy* (2019) written by Todorov and Akbar.

	OPPORTUNITIES	THREATS
STRENGTHS		
WEAKNESSES		

## Appendix 5. Questionnaires

1 (3)

Hi, I am Julia and currently working on my Bachelor thesis. I am analysing whether business model and business strategy can be merged to foster start-ups growth opportunities. It would be a pleasure if you participate the quick survey :) Thank you for your participation in advance!

Enter some body text

**1** Are you a founder of a start-up yet?

0% (0) Yes

0% (0) No

0% (0) Soon

0 Responses

**2** Do you know the business model canvas?

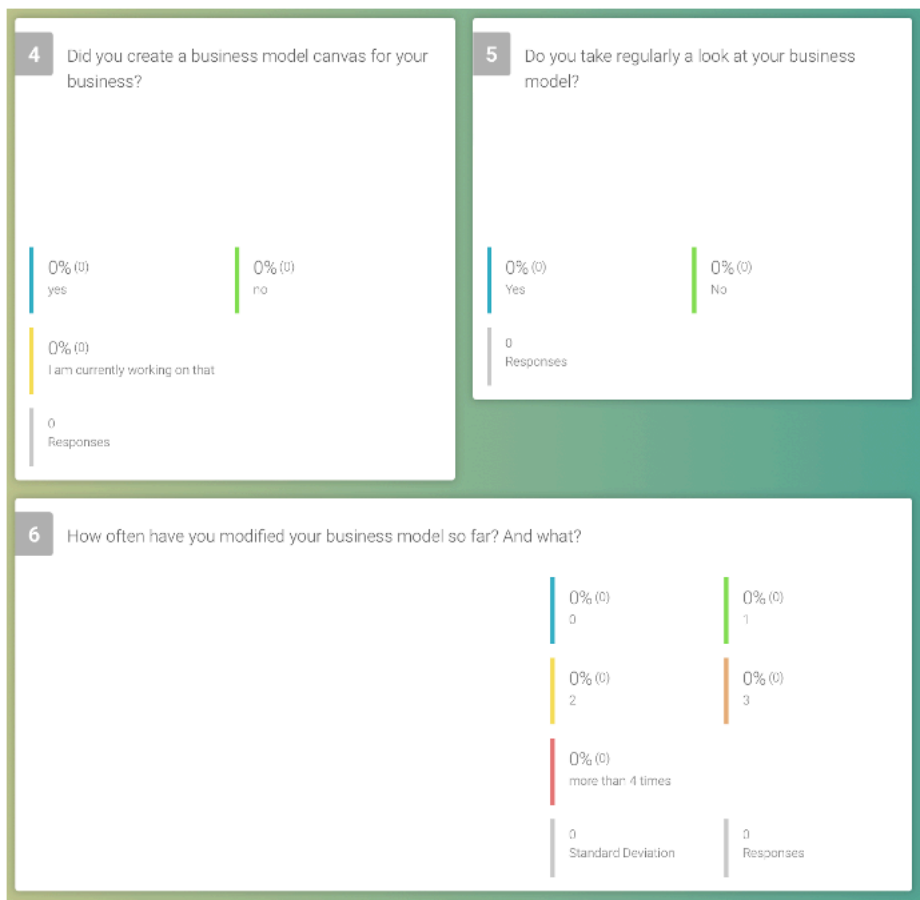
0% (0) Yes

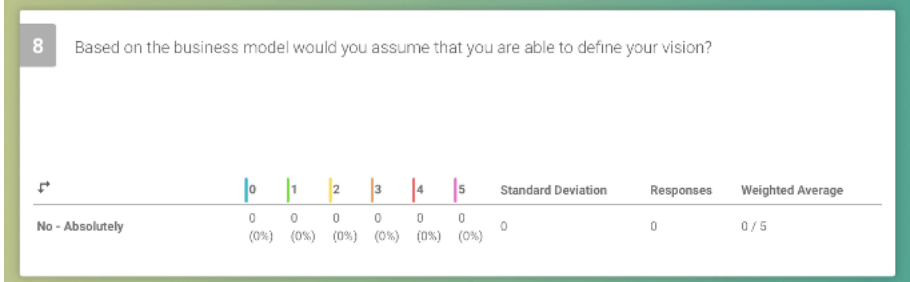
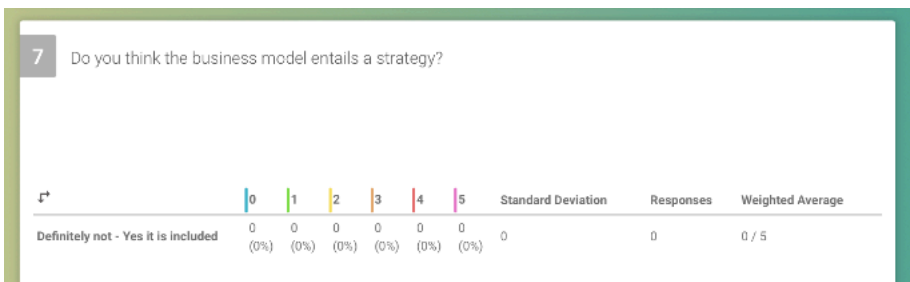
0% (0) No

0 Responses

**3** How would you briefly describe the business model canvas purpose?

Show recent 5 | All





**10** Can you easily define the next step towards company growth based on the business model and/or vision?

---

**Show recent 5** | All

**11** What would you need to determine the next steps for business growth?

---

**Show recent 5** | All

## Appendix 6. Discussion about BMC and cost structure

1 (2)

Author: Is it only the vision that could help to implement and other strategic elements or now I saw, okay, the canvas is only there for to, the first step to bring an idea closer towards business. It's just like a frame on how you can bring your idea into business but it's not proven and given that after once it's done that you have nothing to do.

Expert: Yes, I think many use the BMC to actually replace the business plan.

Author: Yes.

Expert: It is so light-widen. It is so easy to use, and you have everything on one like page there. And it is easy to communicate why...still it covers all the important things.

Author: Depends on, I would say not really. ...I would assume that a vision would help me to overcome the circumstances better. For the cost-structure it is not really in detail. To be honest, you need the financial model plan.

Expert: Yes, of course and you have to have an excel where you actually calculate things and see when you will be like profitably and so on.

Author: I assume, and it is just my opinion,... I guess, they do not really consider this I mean there is no further information after once you have done this, go deeper. They just think, okay I just have to do it, because nowadays it is so easy to set up a business and then... everything is there, because everything is covered in the business canvas.

Expert: But you are right. I never actually thought in that way. It does not include the vision. You have to have your vision already when you start like putting stuff into your Business Model Canvas. There is no field there.

Author: It is the same key resources. And this is what business strategy is about.

What kind of resources do I have to compete or to operate within the market and it's really not there. It is just like mentioned what are the key partners or something. But there is not mentioned what kind of resources do I have now and what kind of resources maybe to promote my product or service better or to conquer with my competitors. It is the same, the competitors are not entailed. And this is what you consider in the corporate strategy with the Porter-5-Forces or with the SWOT.

Expert: Actually, there is key resources field and key partners.

Author: Yes.

Expert: Both, but again, it is just a way how you use the canvas.

Author: At the beginning I really was thinking about the vision because it is on the corporate level. But if you are a start-up you don't have time to design your corporate strategy because you have a lot of challenges in the operational part. Because I was thinking about what really could help to have the vision in the business model canvas

Expert: And if you take the business plan there, there is chapter about the vision usually. So, in a way, vision should be coming in my mind before the business model.

Author: We know that you have to do afterward the business plan and calculate everything. When I talked with the students from the entrepreneur course, they also mentioned people think the business model canvas is enough. It's like everything to compromise everything in ...

## Appendix 7. Business Idea

Searching for a shared apartment is commonly done online. By google searching several websites or groups on social media channels are found. Announcements in meta groups (previously called Facebook) or on other platforms such as wg-gesucht.de, immobilienscout24.de, and immonet.de are posted. However, also landlords or apartment/housing providers are using those tools. For all to be valid contacting each other must be done separately.

Sharing interests and telling something about themselves is the first step. If both are agreed on a meeting, these are conducted outside the platform. Another boundary is that CV, verification of being able to afford the rent, etc. cannot be shared or negotiated over these platforms. A website and application would help in which all documents can be uploaded, conveyed, and finally contracts can be signed. Based on a short introduction The platform offers that people can seek out each other, like on dating applications. If people are matching, they are allowed to get in contact. Process for decision-making (taking or leaving a possible offer) can be made conveniently. On top of that, it is aimed to assure that no scammers are a member of the platform. Hence, a verification process is a must for the concept.

With the BMC, the idea shall be transferred to a business model.



## Appendix 8. Testing start-up 1

1 (7)

GENERAL FEEDBACK / IMPRESSION

Start-up 1: ... few new cells that like haven't seen those before, like environment and negotiation ... and also competitors.

Author: You could say what the purpose of the business model canvas would be, for instance? ... is it clear for you, can you see it?

Start-up 1: Hmhh... somehow yes. It gives you ... kind of ... concise picture of the whole business. It is really complete.

VP

Start-up 1: And about the characteristics ehh what is it about the characteristics of what?

Author: It is different compared what kind of product you have. ... design creates status ... the process in total ... that it is like an easier process that the person has maybe to go through. So,... you are kind of confused how to use this. The characteristics? Cause this is something what I ... adopted basically from the original canvas. So, you have never taken this into account?

Start-up 1: No, because it strikes me a bit because this is a kind of conceptual thing. But then I can of more concrete and technical thing comes into between. Which is the characteristics?

Author: If you would say it makes no sense in this point, it is good to know.

Start-up 1: Yeah, it does not come right now. Should be put ... in a different box, I would say. ...Yeah, because this kind of more up to competitive advantage rather than... I would take it more into the competitive advantage more than the value proposition.

2 (7)

Start-up 1: I have mixed feelings. ... good, because first you kind of really need to know... what you are proposing to the customer. But also kind of it's strikes, because I haven't even described my business and then I already I need to ...tell the customer .. what she or he is getting by using my services or products.

### VISION

Start-up 1: In here, my brain already forces me to pull me in the mission.

Author: Is it a good or bad feeling?

Start-up 1: It is a good feeling. I have really positive feelings with this one. ... kind of really tells you the story, like the reason why you want to conduct business. This one is super interesting. Because it is not only about the money but it is also kind of motivations that led us to do what we do. ... Yeah, it leads you a bit to more to deeper and abstract thinking. ... I think, I would replace vision by mission. In the vision it is like... how you see yourself your company ... what kind of profile the company is got to get.

Start-Up 1: How you envision your organization. Like what of type of organization you want to have in order to take on that mission.

Author: But the vision is basically...the dream of the company to achieve. And based on this you would subdivide / break down your mission.

The result is the question is not clear enough.

Start-up 1: It is either the questions or the type of the title.

Author: In order to think about your company's vision. What you and your company want to achieve and to contribute to the world. kind of question would force you to think about this?

Start-up 1: I would state not how questions rather than why. We want to be xxx the world.

3 (7)

Author: This is a great vision.

Start-up 1: Yeah. But then, you know it is a bit out of orbit.

Author: Yeah, but this is the type of a vision. A vision is not achievable in the first place. It is not achievable in two years. It is something which you try to bring you forward to the vision. It is intangible. It takes effort to do this and at some point to achieve it. ... Therefore, you need sub-goals and missions. What do you need, what is maybe the first step that brings me forward to the vision?

Start-up 1: So that is the how.

Author: So, based on this, it means you would have now actually to change your vision.

Start-up 1: No. My business operation is xxxxx... because I am the provider.

Author: Yeah, but your aim is ...that once in your business life that you achieve this.

Start-up 1: Yeah, at least.

Start-up 1: No, I take this more as a mission.

Author: When you say you want to achieve this, what is then the next step when you accomplished this mission? What of the two things you said ...what is easier to accomplish?

Start-up 1: Helping the xxxx. It is kind of the first step that leads to the first one.

Author: Exactly, the first one is your vision and the second one is maybe your mission that fosters you, supports you to achieve the vision.

## CUSTOMERS & CHANNEL

Start-up 1: I feel that here, the two questions repeat themselves.

Author: If it would not be stay there ... then you automatically know that you have to do some ... sales, marketing activities on those channels?

Start-up 1: Definitely. It is given, otherwise you are not in business. ... Like, this question Where is our product available does it mean physically?

Author: ... Where can we offer the product that the people would buy it, but then, the question is not clear enough.

Start-up 1: Yeah.

## COMPETITORS

Author: How would you formulate this to fill it out easier? And second is, would you think this gives you a benefit ... an advantage for your business operation?

Start-up 1: Yes, I mean I would reformulate it, like what alternative would be there if you are not in business.

Author: But you could have the aim to lure them away, right? To gain them as your customer.

Start-up 1: Yeah, actually, yeah. And this alternatives can become our customers actually.

Author: Would you say this ... should be mentioned in this block?

Start-up 1: No, I think that would be too much. It changes quite a lot, because it is more tight to trends and mega trends.

## COST STRUCTURE

Start-Up 1: How much product / services can be sold, a quarter, a year, semester, monthly?

Author: What would help you?

Start-Up 1: How many, ah, yeah, how much.

Author: If you fill the business model canvas for the first time out, would you then prefer to have for first quarter, first-year, like?

Start-Up 1: You need to think in both, quarter-based and year-based. (45:35)

I think is a very good question, actually. It helps you at least to make estimations. Even though, you can't ... fulfil those, but kind of gives you some guidance to measure. And then, like, ... when you review the fiscal year... it gives you a bit of an insight of the market and also, how to tune your own measurement. Because

4 (5)

one of the mistakes at first when you set up a business you don't really think about ...like, how many devices I need to sell in order to survive, what is the size of the market etc. etc. etc. ... you're focusing on selling ... you don't put, like that into numbers ... and since nowadays, the whole business environment is super data focused. ... Also gives you kind of a bit of tracked information about your performance in the first two, three years. Also, it really helps to check the cost structure ... think better on your ERPs (Enterprises Social Planning). So that you don't waste your little money you have.

Author: You would say the side note is easy to oversee? You did not see it when you fill it out. Would you say it needs a color or it has to be put it also to the top?

Start-up 1: No, I would say ... it needs an asterisk. More than a note.

## NEGOTIATION

Start-up 1: All these questions make me think more on value propositions. Basically, negotiation is more about handling objections. And kind of either reducing price or including services to the offer. ... Yes, I can defend it, but since

6 (7)

it is not negotiation is set on stone. Like, how do you proceed with negotiation and objections handling. Are you willing to decrease the price or are you willing to increase your services? What are you willing to give up in order to gain the customer?

Author: Would you say it is worth it to have a block about negotiation?

Start-up 1: Yeah, kind of. Because it helps you to forecast a situation you will encounter. ...you know how to solve those or at least you have a sort of direction.

Author: Negotiation is good to have, the question should be changed.

Start-up 1: Yeah, this is a really good innovation in here. Keeps you to think you are working with humans and not with machines. Nowadays, everything is becoming a price quote. ... I just would change the content.

#### KEY PARTNERS // ORDER

Start-up 1: This is a good. And this should even come earlier. I would put like cost structure, it after the fifth. Key partners six and either on the ninth or on the tenth.

#### COMPANY'S KEY RESOURCES

Start-up 1: This should be really orientative, because you really don't know. Like, deadline for accomplishment, situations are super volatile and it's not up to you. ... mostly people when they open a company, is they aimed to take it to the point that they receive capital. And seek capital comes from investors, and when they will invest is not down to you, it is down to them.

Author: If you set a deadline, would it force you to use the canvas then again to check if you have accomplished this next step?

Start-up 1: Not really. Because you are a start-up you all know you have three, four years which you need to navigate, ... where you don't really know, like, if you got it make it out of the Death Valley. ...I think it creates a kind of an unnecessary extra pressure. When you are a start-up, it is a discovery process,

and you will make a lot of mistakes ... I would not put the deadline. The questions are fine, are super good.

### ENVIRONMENT

Start-up 1: This is interesting. Instead of environment, I would put the stakeholders. And you can put here the stakeholder theory, and this would be boah massive. That would be the biggest changer. The traditional business canvas is still attached to the traditional business paradigm that you are thinking about shareholders and just to you make profit at the end.

Author: Have you ever heard about the sustainable business model canvas?

Start-up 1: That's new.

Start-up 1: This canvas is more sophisticated I have to say than the traditional one. It is a good one it has a new concept

## Appendix 9. Testing start-up 2

1 (10)

GENERAL LOOK

Author: It means that you have modified your business model canvas several times and you use it regularly?

Start-up 2: Not regularly I would say, like we haven't it anymore used basically used it but if you mean using that we sometimes I watch there how we have been thinking through, but these days it is still in my spine.

Start-up 2: What I think about business model canvas, business model canvas is the first thing to do when you start thinking about creating a business. Get the idea out of your head into more precise. But this is not precise still. This is all over the place canvas still. When you are actually really building you actually doing simultaneously. ...Nobody knows negotiation thing 100% when you are filling out the canvas. You know those from some experience. ...The most traction that you get from us is this thing, but you did not mention anywhere here. And then you think oh my god hey that's one of the most biggest value that we have because our customers say that. When you do, you learn. This is the first thing you do when you think about what type of company it should be.

Author: Would this give you then a better frame if you have all these things, like cost structure, negotiation, environment, competitors. Would this give you then a better frame to start or to continue with shaping the idea or designing the concept?

Start-up 2: Well, yeah. It depends on the industry and the business.

CUSTOMER

Author: You are filling this out with what you are familiar with, right?

Start-up 2: Yeah.



Author: Would you then say you don't need the questions what is stated below the value proposition or the customer, because you are familiar with this?

Start-up 2: Yes, definitely, like ... I know all.

Author: What is for instance the question in the business model in the customer block? ...You don't categorize them your there is a canvas for a block.

Start-up 2: Of course, we do. We have a lot this. But there is an own canvas for that block.

Author: Because there are some hints, for instance, age, gender, occupation, interesting's and so on. So, you would say based on that you are really familiar with the business model canvas, you do not need it and see it as relevant to question the customer in this kind of way?

Start-up 2: No, I don't, because how I have been taught to use this business model canvas is that almost...every single box has it own canvases. Additional canvases. There is a value proposition canvas, and there is a customer segment, or customer persona canvas. And that we actually used last Friday in a meeting. We were more getting into more details about our customers. About the customers feelings, pains and goals.

Author: You did a deeper analysis?

Start-up 2: Because if I need customers, I don't write this into this little boxes.

Author: Why not?

Start-up 2: We have an own canvas for that...and there is like multiple boxes in it.

Author: ... Imagine, when you start for the first time with filling out this canvas, ... were you totally aware of this answering the questions then or would you say okay then I maybe have to think a little bit more in-depth about this?

Start-up 2: At the beginning you have no idea yet who your customer is. You can use those ...what range of age or occupation... depending on the business but with our business it is not crucial what kind of gender ... but with those questions when you first doing this you can actually think what kind of people, they are ... and then maybe come up with the name of the group. ...And then, you do the additional canvas.

Author: It would give you a better understanding or support?

Start-up 2: Yeah definitely, but still a huge bot in customer segment is that you cannot only rely on your knowledge or actually the knowledge that you can found out in the web ... why we are now focusing on our customer segment again, because we have actually hard data ... and even better again.

### COMPETITORS

Author: When you established your company, did you do a competitor research before?

Start-up 2: Yeah, we did a lot. And we have still done a lot. All the time. ... basically, almost everyday job.

Author: Do you use another canvas for this? ...like the Porter-5-Forces?

Start-Up 2: No actually. ...We don't use any canvases for competitor, we just like collect the data, watch out ...

### COST STRUCTURE

Start-up 2: Was the cost structure and negotiation in the previous business model canvas?

Author: Is it new for you?

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Start-up 2: No, I know cost structure. But for me it's like really ridiculous to write it over here when I know there is a huge excel for every single product I have. ...It's a huge excel then.

Author: Of course. There is...a note. But imagine, when you start, the first thing when you start your business was it more building up the platform or more the product? Would it help you then to think roughly about the cost structures?

Start-up 2: No. If I would think roughly I wouldn't actually know even. You need to start an excel to calculate ...what are the manufactory costs, fix costs...

Author: As a beginner starting with the business canvas model and you have no the cost structure, because you mentioned you didn't have it before, would it help you to consider this? Additionally, also the note to start with the finance plan?

Start-up 2: If I would be really honest, like the cost structure here it's good to mention, it is really important part of the business and I'm really happy that it should be here ... the first question underneath it I would put, like: Do you have experience in the business and the cost structures in the business that you are aiming to go to the market? If the answer is no, call somebody who knows and ask them! ... The less you need to guess, the better it is.

### NEGOTIATION

Start-up 2: My first impression is that, again, ... it depends on the field that your idea is. If it is a cutting-edge technology negotiation is easier ... but if you go this kind of brand wise,

Author: Without this negotiation block were you as a beginner, when you start to provide or extend your brand with the support of the retailers, were you able without the block to convince the retailers to close the deal?

Start-up 2: No, of course not. ... It's really important to think about the points of negotiation what are the most valuable things, but also it's here, like in the value

proposition. ... That gives me kind of ...misleading ... right now we are getting so far ahead. This is kind of planning the business and now this is going straight to the negotiation room, retailer, or businesspeople...but when you are building a brand... if you only filling this, you can put a lot in there ... it's get me off track. ...Maybe too early one, because it's better to understand the sources and everything first, like how we are going to do something and where are we going to do something and then the negotiation later one. ... if you make a pitch deck that's negotiation. There you need every single one of those things.

Author: Does it also mean that you would give some discounts just to convince them?

Start-up 2: No, no no no, not really. It depends on how big the client is. Then they are starting questions about discount here, discount there. It's a jungle out of there.

#### KEY PARTNER

Start-up 2: This is a good box. This is a thing that you need to actually really think up ahead when you are even getting doing something, because without these you cannot like maybe do it at all, anything.

Start-up 2: Motivation for partnerships. Usually, motivation is money. ...we give you money, you give us goods. It is usually the most biggest motivation of the key partners. ... But then of course, like in Finland it is little bit difficult to get partnerships ... Finnish manufacturers...they are eager to...test it out...and then the line is 1.5 years. Okay we need this in 2 months. So, that's mainly the problem, like how can you actually really get in, because there might be not room for brands at all in the manufactory line. So, then the motivation... there might not be any motivation. There is only motivation how motivated are you and how much you are willing to go in different directions that you might not want.

Author. Would you say the motivation part is not necessary in this block?

Start-up 2: No, I think not, not really. I would put something like, basically like, ... how to sell yourself to them to do business with you. That's really fruitful. ... Maybe...think about...even more deeper beyond the key partner lies: who are the most, best partners for your business.

### ENVIRONMENT

Start-up 2: I would say, like not maybe today but maybe ...or a year or two forward...this: How can we make a contribution towards sustainability? you don't need to ask these anymore. These days, if you start a business, you really need to think about sustainability immediately. Because you'll get a lot of bad publicity if you are not at all..., especially, if you are fighting against it.

...Maybe these two are connected...who has an impact on your business ... government can be impact on lot of businesses around the world. What I hope is, sustainability matters come so important that government regulates companies as well. You cannot by electricity if it is not green. Contribution to sustainability... For me it is... so obvious, you don't start a business in a year 2022 anymore and not sustainable as much as you can. It's just like my opinion, because for us it is came really naturally.

Author: But, like an application, an app for mobile, they are not always, depending on, because it is a digital platform, not always sustainable. For them, it is a little bit more challenging then, right?

Start-up 2: It might be, yeah. Yeah, more challenging, Maybe, yeah. Yeah, maybe they could think about those things more.

### COMPANY'S KEY RESOURCES

Start-up 2: It is a good thing to ask, but like, I think it should be more precise.

Author: For instance?

Start-up 2: What kind of ...resources...really crucial for us. I think that would have been helped us a lot at the beginning. Because not resources are not maybe only

like money and contacts...but there is always a human resource. One of the things, when somebody is filling the first time with the team, I would here immediately say: Take a look of your team and what type of resources and knowledge do you have in your team. If there is some part lacking? ...If there is, find the person now and not later! Like now, even before you established the company, because it's much easier than later.

Author: Would you say then the note with the deadline or achievement is it good to implement this? Like a reminder then for you? if you say, you do it now that you own deadline when this has to be done?

Start-up 2: It is always good to think about the deadline...it depends on the need and the urgency of the resource. Of course, people are usually bad making these goals and...especially at the beginning...we don't have anything yet, only this canvas. This is our company basically right now. It is not even registered and even now we put a deadline. It's a bit scary.

Author: Too much pressure you would say?

Start-up 2: Yeah. But still it's a good thing to...put a deadline. When would you need to have done this? Because even us, we waited and waited. ...There is a lot of this going on at the beginning. That might be a good thing or that might be thing that does not matter on the situation.

## VISION

Author: I have the feeling .. because you skipped it at the beginning immediately. I was wondering why?

Start-up 2: I don't know. These other boxes comes more easy. We have a written vision for our company, for the consumer. But there is also the personal dreams. ...For my perspective it's sometimes really hard when you have even three people at the company...Everybody has a little bit different kind of a dream for the company, this kind of vision for themselves apart in that company and that it

makes it from time to time difficult. And there might be obstacles and lot of conversations of doing those things. That's maybe why I left it out.

Author: Was your vision already existence when you started to shape your idea?

Start-up 2: No. Our vision has been coming from different kind of angles in our business. First,...when we started to building our business we didn't focus immediately on the business. We had an idea what we want to accomplish, what do we want to do. But we wanted to know what type of values, mission, and vision all the founders have for the personal life. If there is somebody immediately going somewhere else, then we don't want to start business with that type of person.

Author: Would you say it is helpful to have the vision inside the canvas, to think about this? It seems it comes for you unconsciously that you consider all these kind of things? But would you for the beginning it would help you to think in-depth why do I really want to establish the company?

Start-up 2: From our part, in our business. Of course, there is something that we want to achieve. Of course, you can say to the customer we want to be the next xx but from Finland. But it's not brand wise to say that. When you are building a brand then all the pieces needs to be pointing into the same direction. Mission, vision, values, value proposition, competitive advantages, and everything.

Author: But the question would it guide you what you kind of mentioned?

Start-up 2: In the business canvas context, I would say the vision as a word, especially people know what a vision is. If you are vision is a normal world. But in business it has a different meaning and it's almost a concept in business.

Author: I would say a vision is something what gives you an incentive or motivates you to, for instance, overcome the challenges and circumstances that might occur.

Start-up 2: Yes, yes, that was the point I was making. But I would not take the vision.

Author: Why not the vision?

Start-up 2: You are a start-up and even have You cannot really like and then you When you even have start your business with your team and then you put like a huge vision there. After a year it might be that you are not going anywhere at all to that direction because there might be changing so much. A mission is better. What kind of mission you are. ...What is the main mission that you actually want to do with this business? There might be multiple possible solution. ...Is there really something you really want to fix?!

Author: What is for you're the definition of the vision?

Start-up 2: Something bigger. A bigger goal that changes something in the world.

Author: What is the mission for you then?

Start-up 2: Mission is the mission. That we are on a mission to do something. We are on the mission to create friendly harmony between people and earth through clothes

Author: And why?

Start-up 2: We want to make best outdoor clothing than there is.

Author: In an ecological way?

Start-up 2: Yeah, in an ecological way, sociological way.

Author: Would you suggest or assume that mission and vision are somehow incorporated or there are some overlaps?



Start-up 2: For my perspective, in other people Sometimes maybe overlapping, sometimes you cannot really know if this is a vision or a mission, especially, if it is so big that is almost non-achievable.

Author: And therefore, you have the mission to come closer to the vision?

Start-up 2: hmmh, yeah.... Mission is always with you. You are on the mission to do something. Vision is a really far goal that you can see that our company in some period of time in thirty-years. That's the problem, I would not put that I would something is more tangible.

...But still something like tangible, next five year goal or target. That gives a more guidance for your company at the early stages and not thinking about really big visions.

Author: Did you change your strategy based on the business model canvas?

Start-up 2: No

## Appendix 10. Testing Person A

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VISION

Author: How does it feel for you to fill out the vision?

Person A: I think, ...those questions are underneath are really helpful in terms of. Multiple questions that could be linked to the same titles; this to these ten titles. So, it is really good that there are smaller questions that are helping me how to start with it.

Person A: Should I write this when there is our personal dream and story should I write this it from the perspective that I am creating the idea or based on the case?

Author: Based on the case that you are going to set up the business.

Person A: Okay so then I make observation, based on the case.

Author: So, is it easy for you to fill it out?

Person A: Yeah. I just was thinking out practically that I am trying to figure it out now.

VALUE PROPOSITION

Author: How is it for you with the value proposition?

Person A: I was trying thinking how to from the ideas. try to write it down

Author: Is it like that the question force you to keep it more clearly. So, you are not able to make quick notes?

Person A: Yeah.

Person A: I was thinking about what does it mean about characteristics. There is design, lean process, I am not familiar. I am trying to understand, I think I am going to leave this out. I actually don't know exactly what it means.

Person A: Actually, one observation that I made is that we already have this how do we create value for a customer. But then, actually, customer is number 3. ...I realized that, that's also one thing in what order should this be filled out.

Author: You prefer really to start with the vision?

Person A: Yeah.

Author: What is the difference between customer and value proposition? Do you think it is similar now to you when you saw it?

Person A: I would say, when you try to plan, try to map who the customer is, it is quite strongly linked to value proposition that how do we create value for that particular customer. ...that I am not sure what the logic is right away.

## CUSTOMER

Person A: Actually, this case study, it is not clarified how the financial ...they are going to make money of the idea. So, shall I just make assumptions?

Author: From who? from which perspective are you looking at?

Person A: For example, the renter is a people who is renting to the tents. I would say they are the direct customers. I guess, they are paying for putting those photos of housing that is available.

But also, the tents, people who are looking for housing. ... Again, and they could also be the customers, if they put advertisement

Author: What is the case? What is your business idea based on the case?

To try to create a platform to connect to the people who want to find housing to people who rent housing?

Author: So, who are your customers then? Who try you to contact to attract, to use this platform?

Person A: I think all of them, then? Yeah, true.

Author: I guess your customers, target group, is a bit broader because you consider both. You can also think about you will launch this here, in Finland or in Tampere. Maybe it helps you to narrow it a little bit more down. Is it easier now for you filling this out?

Person A: Yeah.

### CHANNELS

Person A: Is also social contacts a channel? ...in person, is that also a platform?

Author: Like mouth-to-mouth?

Person A: Yeah. Okay, it is also. Then okay.

### CUSTOMER/SUPPLIERS

Person A: How can customer, suppliers contact us. I am trying to contact for what? Like, in terms of participating or ...?

Author: Based on your case, would you assume you have any suppliers?

I thought it means in this case

Author: Are these your suppliers for you to setting up your platform?

Person A: Or is supplier suppliers more like the resources to create the platform? That's why I am trying to understand, also, what does it mean in this like technology context.

Author: In your case you have a digital concept.

### COMPETITORS

Person A: I was wondering I did not understand what is the difference between direct competitors and which competitors are there when our product does not exist at all, but I guess I will leave this empty.

Author: For instance, if there is no platform like mentioned in your case or maybe your platform. How would people try to get a house or rent an apartment?

Person A: Oh, okay. That's kind of the same.

### COST STRUCTURE

Author: It seems that you can fill out the cost structure easily, right?

Person A: At least, like I have some ideas more easily, I guess... it is based on proper question.

### NEGOTIATION

Person A: What I think, it is in a kind of different level. It is going to quite great detail in terms of the level, what kind of understanding and planning it requires. In comparison to the previous points.

Author: Is it in a good way or bad way?

Person A: The negotiation is in general a good term. I was thinking, if the questions are maybe going too deep in comparison the previous points.

Author: What would you suggest as questions? What would help you more based on your business idea?

Person A: I think at least, there should be a supporting document in order how can you defend the price. ...or something in an additional document. I understand the financial side. Do provide good quality answers. The same good quality answers in the previous one.

Author: In your case, is it more like that you would prefer having those questions, can we give a discount?

Person A: Yeah.

Author: Those question would help you in a better way?

Person A: I don't know if there is too many questions in this particular point 7. How can we defend our price, I think that is a good question. What is included in brackets, I think, that could also, be a more important, be developed into a good question. Because I think what makes our product so special, actually links to value proposition and vision. So, clearly this hasn't to be emphasized at this point anymore.

#### COMPANY'S KEY RESOURCES

Person A: This is a general comment or observation. Based on the case study, the description, I think the questions 9 and 10 might go beyond that in some ways. ...I have to use my own thinking or my own ideas.

Author: What is the question then?

Person A: In general, there is something that is related to cultural context, time, and place. ...It requires more information.

Author: What is the ninth? What is the topic?

Person A: Key resources.

Author: In the company, right? Company's key resources? What is the question?

Person A: What are our current resources? What resources do we need next? That cannot be answered based on the case study. Because this is more...it does not describe processes yet.

Author: Who found this? Who idea is this in this case? ...you are filling this out. You are wanting to set up this business. What kind of resources, who do you have to set up this business?

Person A: Only me, right?

Author: Yeah, you as a founder, right?

Person A: Okay.

Author: You have no other partner here, now. Just you. You are your resource. You could handle this, right? You could be responsible for everything what you have yet written down. The next question is, ...what do you need in order to realize this better. ...Is this then more clearer for you?

Person A: Because I was thinking how I am supposed to apply the case study.

Author: There is no disturbance based on the questions? Would you say they are not so good formulated?

Person A: ...And I would say deadline for accomplishment a bit too, somehow simplifies too much the whole process. Because it is not as simple in most cases, especially, if they are creating an idea. I would say deadline for accomplishment may not be as good as an approach. Better would be, I guess a goal...what they want to accomplish, maybe better than a deadline. ...My guess is, it would work against the idea.

### ENVIRONMENT

Person A: I would say the environment was not confused if it possible I would put two different points there. The first can be business environment or risk management. And then the next one should be sustainability. Because sustainability is increasingly an important point. And actually, environment has not two meanings in the same category. Business environment is different from sustainability. I would actually put two separate points to really emphasize the sustainability per-

spective in business design nowadays. There is again some accounting standards that emphasis risk management also. The questions could be formed differently. Or somehow only provide one meaning for environment. In general, these questions were relevant and clear.

The impact on business and sustainability link toward environment. But in this case, they provide two different definitions for environment. The business operates within one business environment link to society, but also links to physical environments and sustainability. So, now there is the environment an abstract space where it operates but also the physical environment, the impacts that creates.

### OVERALL FEELING

Author: How do you feel after filling this out? Could you move on? Do you see some boundaries?

Person A: It makes it really like a map. It gives helpful questions and hints what should be considered. But in terms of a process, the questions 9 maybe should be made broader or detailed. I don't know if this encourages the process thinking. But at least it helps at the beginning phase to try to understand and try to plan or try to bring clarity to the idea. ...Right now, I am not quite sure where I should continue at next based on this. At least it helps in planning. It helps in understanding.

Author: For you it would help to have next steps?

Person A: I guess it depends on the case. There are a lot of potentials in this idea. It could also be the fact that it is not my own idea. But I don't know where or how to continue. But it's still seems relevant as it's answering the core questions.

Author: For you it would help at the end, what next steps is required to move forward? Something like this? What has to be done instead of the deadline and the resources do we need for the next steps?



Person A: Somehow maybe, ...or something or what has to be what are the boundaries, what are the things that restrict us from continuing from financial

Author: What kind of boundaries do we have to solve next then?

Person A: Yeah, I guess, then it would come to process thinking.

Author: Would you say then, based on this, maybe if the date and review would be put down after the last question it would give you an incentive to look at this again what kind of progress did you make?

Person A: Yeah, that is actually better. Somehow make it like a process in a way like as a beginning phase design, so how could you use this model again or how can you / should there be certain points that could be repeated over time to see the development in the ideas and thinking. Because I think vision could be something in long-term in general but then there might be other insight that change the category over time. ... I think these categories are relevant in terms of a longer-term planning. It could be possible to go back on these questions later on.

### ORDER

Author: When you look at how it is structures, would you say the numbers are good or would you say you do not need the numbers to start wherever you want? Or should you change if you say it is good to have a structure the order?

Person A: I would say put the vision first and then even ... I think value proposition and customers should be connected because we have to understand the customer and who is the customer. Then you also have to understand how you create value for the particular customer. But also, if you have to solve some problems

Author: The value should be before the customer or afterward?

Person A: I don't know yet, actually. ... because they are so linked. they should be somehow connected...

Author: If we have the vision, then we have the value proposition and the customer together or would you say it has to be in one block that they are not separated, visually?

Person A: That could also be possible.

Author: Would you change anything else?

Person A: I would put key partners close before cost structure and negotiation.

Author: Related to the cost structure, would you say it is better to have a table or would you need more the space?

Person A: I would say this would be a really good supportive document. Exactly this one when you have to understand the fix costs and variable costs. I guess only thing if there is something related to accounting. I am not sure how it would work accounting some consideration how these information could be published with links to financial information in general. ... I didn't notice that one. ...That was my point anyway.

Author: Would you say then there is a mark or a hint that is linked because you oversee it?

Person A: I don't know.

## Appendix 11. Final BMC draft versions

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SUGGESTIONS ABOUT  
THE MODIFIED BMC AFTER TESTING PHASE.

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**TASK**

PLEASE LOOK AT THE DIFFERENT VERSIONS (A TO G).  
ADDITIONALLY, CHECK THE QUESTIONS, ORDER AND TITLES.

**QUESTION**

WHICH DESIGN DO YOU PREFER AND WHY? WHAT DO YOU LIKE OR DISLIKE?  
SHOULD SOMETHING BE TRANSFERRED IN YOUR FAVOURED ONE?  
YOU CAN WRITE YOUR THOUGHTS IN A DOCUMENT DOWN OR SEND A VOICE MESSAGE.

**CONSIDER**

TRY TO TAKE A DECISION WHICH IS NOT ONLY BASED ON YOUR PERSONAL DESIGN  
PREFERENCES, MORE WHICH ONE IS THE PROPER ONE WHEN SOMEONE IS APPLYING  
THE CANVAS.

**Business Model Canvas** *Bringing an idea into business* Date: \_\_\_\_\_ Next review: \_\_\_\_\_

**OLD → BASIS**

**1 VALUE PROPOSITION**

How do we create value for our customer? Which problem is solved? What is the product advantage? How does the customer feel while and after using our product/service?

Characteristics:  
(Design, lean process, ...)

**2 VISION**

Why do we want to sell this product/service? What is our personal dream? What is our story?

**3 CUSTOMER**

Who is our customer?  
(Age, gender, occupation, interests, income, ...)

Which channels do they use to obtain information?

**4 CHANNELS**

a) Where is our product available? How can customers and suppliers contact us?

b) How & where do we communicate with our target group?

**5 COMPETITORS**

Direct competitors:

Who competitors are there when our product does not exist at all?

Note: The more competitors the more likely that it is a mass market

**6 COST STRUCTURE**

What are our fixed and variable costs? How much revenue is estimated in the first year? How much product/services can be sold? Profit will be there at the end?

Note: It is recommended that a separate business/finance plan is prepared.

**7 NEGOTIATION**

How can you defend our price (What is included)? What makes our product/service so special? What is offered on top of that? Why is it worth it to buy it for this price?

**8 KEY PARTNERS**

Who are our key suppliers? Which key activities partner do we perform? Which key resources are we acquiring from partners?

Motivation for partnerships:

**9 COMPANY'S KEY RESOURCES**

What are our current resources? What resources do we need next? What shall be accomplished next?

Deadline for accomplishment: \_\_\_\_\_

**10 ENVIRONMENT**

Who else could have an impact on our business (government, policies, customer demand, ...)? How can we make a contribution towards sustainability? (Reduction commission, waste by xx%, ...)

**BUSINESS MODEL CANVAS** A *Bringing an idea into business*

**IDEA & KEY ACTIVITY**

What is the idea of our product/service? What do we want to offer? Why do we want to bring the idea into business?

**MISSION**

Why do we want to sell this product/service? What is our mission, moreover, our motivator? Can we change society/environment/ world somehow?

Based on that, what can we accomplish within the first three years?

How do we want to be treated when working on this (values)?

**VALUE PROPOSITION**

How do we create value for our customer? Which problem is solved? What is the product advantage? How does the customer feel while and after using our product/service?

**CHANNELS**

Where can our product/service be purchased (e.g. the parties)? Through which channels do our customer want to be reached?

Which channels are good for awareness, generating value, after-service? (Social, Website, distributors, cold calls, flyer, mail etc.)

**KEY PARTNERS**

Who are our key suppliers? Which key activities partner do we perform? Which key resources are we acquiring from partners?

Motivation for partnerships:

**COST STRUCTURE\***

Fixed costs	Variable costs
Estimate Revenues	Estimate Profit

\*Note: It is recommended that a separate business/finance plan is prepared.

**NEGOTIATION\*\***

Do we offer different price packages. If so, what is included?

How much discount do we offer? Do we offer a distinct price offer for students, elderly etc.?

Are we willing to decrease the price? If so, what is our lowest price in order that our costs are still covered?

\*\*Value Proposition will assist to explain price & quality of your product/service

**CUSTOMER RELATIONSHIP**

Who is our customer?  
(Age, gender, occupation, interests, income, ...)

**COMPETITORS**

Direct competitors:

What is the price range from all competitors?

**COMPANY'S KEY RESOURCES**

What are our current (internal) resources for the start-up? Do we have the needed knowledge? What resources do we need next in order to grow? How do we obtain these resources?

**STAKEHOLDER**

Who else could have an impact on our business and why?

- Customers (demand, trends):
- Suppliers:
- Government (policies, regulations):
- Society:
- Business Owner:

**SUSTAINABILITY**

How can we make a contribution towards sustainability? (Reduction commission, waste by xx%, ...)

Date: \_\_\_\_\_ Next review: \_\_\_\_\_

**B**

**BUSINESS MODEL CANVAS** Bringing an idea into business

**IDEA & KEY ACTIVITY**

What is the idea of our product/service? What do we want to offer? Why do we want to bring the idea into business?

**MOTIVATION**

Why do we want to sell this product/service? What is our mission, moreover, our motivator? Can we change society/environment/ world somehow?

Based on that, what can we accomplish within the first three years?

How do we want to be treated when working on this (values)?

**VALUE PROPOSITION**

How do we create value for our customer? Which problem is solved? What is the product advantage? How does the customer feel while and after using our product/service?

**CUSTOMER RELATIONSHIP**

Who is our customer? (Age, gender, occupation, interests, income, ...)

What kind of data do we need to know our customer better?

**CHANNELS**

Where can our product/service be purchased (e.g. third-parties)?

How/Where will the target group become aware of it? (SoMe, Website, distributors, cold calls, flyer etc.)

How can customers and suppliers can get in contact with us? (Mail, Call, Service center, SoMe etc.)

**KEY PARTNERS**

Who are our key suppliers? Which key activities partner do we perform? Which key resources are we acquiring from partners? Who key partners have the capacity to collaborate with us at most?

Motivation for partnerships and their benefit: Reputation, Gaining new clients, contribution to sustainability

**COST STRUCTURE\***

Fixed costs	Variable costs
Estimate Revenues	Estimate Profit

\*Note: It is recommended that a separate business/finance plan is prepared.

**COMPANY'S KEY RESOURCES**

What are our current resources? Is there anything lacking in order to go further?

What resources do we need next? Is it worth it to invest it now? Which benefits will it bring us?

**COMPETITORS**

Direct competitors:

What is the price range from all competitors?

**STAKEHOLDER**

Who else could have an impact on our business and why?

- Customers (demand, trends);
- Suppliers;
- Government (policies, regulations);
- Society;
- Business Owner;

**SUSTAINABILITY**

How can we contribute towards sustainability? (Reduction commission, waste by x%, ...)

**NEGOTIATION\*\***

What discount can we offer at least? And what are the conditions?

What are the margins for third-parties (distributors, supermarket etc.)

\*\*Value Proposition will assist to explain price & quality of your product/service

Date: \_\_\_\_\_ Next review: \_\_\_\_\_

**C**

**BUSINESS MODEL CANVAS** Bringing an idea into business

**IDEA & KEY ACTIVITY**

What is the idea of our product/service? Why do we want to bring the idea into business? What do we want to offer?

**VALUE PROPOSITION**

How do we create value for our customer? Which problem is solved and what is the overall advantage? How does the customer feel while and after using our product/service?

**CUSTOMER RELATIONSHIP**

Who is our customer? (Age, gender, occupation, interests, income, ...)

What kind of data do we need to know our customer better?

**CHANNELS**

Where can our product/service be purchased (e.g. website, third-parties)?

How can customers and suppliers can get in contact with us? (Mail, Call, Service center, SoMe etc.)

How/Where will the target group become aware of it? (SoMe, Website, distributors, cold calls, flyer etc.)

**KEY PARTNERS**

Who are our key suppliers? Which key activities partner do we perform? Which key resources are we acquiring from partners? Who key partners have the capacity to collaborate with us at most?

Motivation for partnerships and their benefit: Reputation, Gaining new clients, contribution to sustainability

**COST STRUCTURE\***

Fixed costs	Variable costs
Estimate Revenues	Estimate Profit
<input type="checkbox"/> monthly	<input type="checkbox"/> monthly
<input type="checkbox"/> year	<input type="checkbox"/> year

\*Note: It is recommended that a separate business/finance plan is prepared.

**COMPETITORS**

Direct competitors:

What can we do better then them?

**MOTIVATION**

Why do we want to sell this product/service? What is our mission, moreover, our motivator? Can we change society/environment/ world somehow?

Based on that, what can we accomplish within the first three years?

How do we want to be treated when working on this (values)?

**COMPANY'S KEY RESOURCES**

What are our current resources? Is there anything lacking in order to go further?

What resources do we need next? Is it worth it to invest it now? Which benefits will it bring to us?

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**SUSTAINABILITY**

How can we contribute towards sustainability? (Reduction commission, waste by x%, ...)

**STAKEHOLDER**

Who else could have an impact on our business and why?

- Customers (demand, trends);
- Suppliers;
- Government (policies, regulations);
- Society;
- Business Owner;

**NEGOTIATION\*\***

What discount can we offer at least? And what are the conditions?

What are the margins for third-parties (distributors, supermarket etc.)

\*\*Value Proposition will assist to explain price & quality of your product/service

Date: \_\_\_\_\_ Next review: \_\_\_\_\_

**D**

*Bringing an idea into business*

**IDEA & KEY ACTIVITY**

What is the idea of our product/service? Why do we want to bring the idea into business? What do we want to offer?

**VALUE PROPOSITION**

How do we create value for our customer? Which problem is solved and what is the overall advantage? How does the customer feel while and after using our product/service?

**KEY PARTNERS**

Who are our key suppliers? Which key activities partner do we perform? Which key resources are we acquiring from partners? Who key partners have the capacity to collaborate with us at most?

Motivation for partnerships and their benefit:  
Reputation, Gaining new clients, contribution to sustainability

**CHANNELS**

Where can our product/service be purchased (e.g. website, Instagram)?

How can customers and suppliers get in contact with us? (Mail, Call, Service center, SoMe etc.)

How/Where will the target group become aware of it? (SoMe, Website, distributors, cold calls, flyer etc.)

**CUSTOMER RELATIONSHIP**

Who is our customer? (Age, gender, occupation, interests, income, ...)

What is for them important regarding to our idea?

**MOTIVATION**

Why do we want to sell this product/service? What is our mission, moreover, our motivator? Can we change society/environment/world somehow?

Based on that, what can we accomplish within the first three years?

How do we want to be treated when working on this (values)?

**COMPANY'S KEY RESOURCES**

What are our current resources? Is there anything lacking in order to go further?

What resources do we need next? Is it worth it to invest it now? Which benefits will it bring to us?

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**STAKEHOLDER**

Who else could have an impact on our business and why?

- Customers (demand, trends);
- Suppliers;
- Government (policies, regulations);
- Society;
- Business Owner;

**COMPETITORS**

Who are our competitors? What is their price range? What makes them so unique?

**COST STRUCTURE\***

Fixed costs	Variable costs	Estimate Revenues	Estimate Profit

\*Note: It is recommended that a separate business/finance plan is prepared.

**Later NEGOTIATION\*\***

What discount can we offer at least? And what are the conditions?

What are the margins for third-parties (distributors, supermarket etc.)

**Date:** \_\_\_\_\_

**Next review:** \_\_\_\_\_

\*\*Value Proposition will assist to explain price & quality of your product/service

**E**

*Bringing an idea into business*

**IDEA & KEY ACTIVITY**

What is the idea of our product/service? Why do we want to bring the idea into business? What do we want to offer?

**VALUE PROPOSITION**

How do we create value for our customer? Which problem is solved and what is the overall advantage? How does the customer feel while and after using our product/service?

**KEY PARTNERS**

Who are our key suppliers? Which key activities partner do we perform? Which key resources are we acquiring from partners? Who key partners have the capacity to collaborate with us at most?

Motivation for partnerships and their benefit:  
Reputation, Gaining new clients, contribution to sustainability

**CHANNELS**

Where can our product/service be purchased (e.g. website, third-parties)?

How can customers and suppliers get in contact with us? (Mail, Call, Service center, SoMe etc.)

How/Where will the target group become aware of it? (SoMe, Website, distributors, cold calls, flyer etc.)

**CUSTOMER RELATIONSHIP**

Who is our customer? (Age, gender, occupation, interests, income, ...)

What is important for them regarding to our idea?

**MOTIVATION**

Why do we want to sell this product/service? What is our mission, moreover, our motivator? Can we change society/environment/world somehow?

Based on that, what can we accomplish within the first three years?

How do we want to be treated when working on this (values)?

**COMPANY'S KEY RESOURCES**

What are our current resources? Is there anything lacking in order to go further?

What resources do we need next? Is it worth it to invest it now? Which benefits will it bring to us?

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**COMPETITORS**

Who are our competitors? What is their price range? What makes them so unique?

**STAKEHOLDER**

Who else could have an impact on our business and why?

- Customers (demand, trends);
- Suppliers;
- Government (policies, regulations);
- Society;
- Business Owner;

**COST STRUCTURE\***

Fixed costs	Variable costs	Estimate Revenues	Estimate Profit
<b>Total</b>		<b>Surplus for investment?</b>	

\*Note: It is recommended that a separate business/finance plan is prepared.

**Later NEGOTIATION\*\***

What discount can we offer at least? And what are the conditions?

What are the margins for third-parties (distributors, supermarket etc.)

**CONCLUSION / WHAT IS IMPORTANT NEXT?**

**Next review:** \_\_\_\_\_

\*\*Value Proposition will assist to explain price & quality of your product/service

### BUSINESS MODEL CANVAS

F

### Bringing an idea into business

**IDEA & KEY ACTIVITY**

What is the idea of our product/service? Why do we want to bring the idea into business? What do we want to offer?

**VALUE PROPOSITION**

How do we create value for our customer? Which problem is solved and what is the overall advantage? How does the customer feel while and after using our product/service?

**KEY PARTNERS**

Who are our key suppliers? Which key activities partner do we perform? Which key resources are we acquiring from partners? Who key partners have the capacity to collaborate with us at most?

Motivation for partnerships and their benefit:  
Reputation, Gaining new clients, contribution to sustainability.

**CHANNELS**

Where can our product/service be purchased (e.g. website, third-parties)?

How can customers and suppliers can get in contact with us? (Mail, Call, Service center, SoMe etc.)

How/Where will the target group become aware of it? (SoMe, Website, distributors, cost calls, flyer etc.)

**CUSTOMER RELATIONSHIP**

Who is our customer? (Age, gender, occupation, interests, income, ...)

What is for them important regarding to our idea?

**STAKEHOLDER**

Who else could have an impact on our business and why?

- Customers (demand, trends);
- Suppliers;
- Government (policies, regulations);
- Society;
- Business Owner.

**SUSTAINABILITY**

How can we contribute towards sustainability? (Reduction commission, waste by x%, ...)

**COST STRUCTURE\***

Fixed costs	Variable costs	Estimate Revenues	Estimate Profit

\*Note: It is recommended that a separate business/finance plan is prepared.

**MOTIVATION**

Why do we want to sell this product/service? What is our mission, moreover, our motivator? Can we change society/environment/ world somehow?

Based on that, what can we accomplish within the first three years?

How do we want to be treated when working on this (values)?

**COMPANY'S KEY RESOURCES**

What are our current resources? Is there anything lacking in order to go further?

What resources do we need next? Is it worth it to invest it now? Which benefits will it bring to us?

**Next steps**

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**COMPETITORS**

Who are our competitors? What is their price range? What makes them so unique?

Later

**NEGOTIATION\*\***

What discount can we offer at least? And what are the conditions?

If, what are the margins for third-parties (distributors, supermarket etc.)

\*\*Value Proposition will assist to explain price & quality of your product/service

### BUSINESS MODEL CANVAS

G

### Bringing an idea into business

**IDEA & KEY ACTIVITY**

What is the idea of our product/service? Why do we want to bring the idea into business? What do we want to offer?

**VALUE PROPOSITION**

How do we create value for our customer? Which problem is solved and what is the overall advantage? How does the customer feel while and after using our product/service?

**KEY PARTNERS**

Who are our key suppliers? Which key activities partner do we perform? Which key resources are we acquiring from partners? Who key partners have the capacity to collaborate with us at most?

Motivation for partnerships and their benefit:  
Reputation, Gaining new clients, contribution to sustainability.

**CHANNELS**

Where can our product/service be purchased (e.g. website, third-parties)?

How can customers and suppliers can get in contact with us? (Mail, Call, Service center, SoMe etc.)

How/Where will the target group become aware of it? (SoMe, Website, distributors, cost calls, flyer etc.)

**CUSTOMER RELATIONSHIP**

Who is our customer? (Age, gender, occupation, interests, income, ...)

What is for them important regarding to our idea?

**COST STRUCTURE\***

Fixed costs	Variable costs	Estimate Revenues	Estimate Profit

\*Note: It is recommended that a separate business/finance plan is prepared.

**COMPETITORS**

Direct competitors: Price range

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**STAKEHOLDER**

Who else could have an impact on our business and why?

- Customers (demand, trends);
- Suppliers;
- Government (policies, regulations);
- Society;
- Business Owner.

**SUSTAINABILITY**

How can we contribute towards sustainability? (Reduction commission, waste by x%, ...)

**MOTIVATION**

Why do we want to sell this product/service? What is our mission, moreover, our motivator? Can we change society/environment/ world somehow?

Based on that, what can we accomplish within the first three years?

How do we want to be treated when working on this (values)?

**COMPANY'S KEY RESOURCES**

What are our current resources? Is there anything lacking in order to go further?

What resources do we need next? Is it worth it to invest it now? Which benefits will it bring to us?

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Later

**NEGOTIATION\*\***

What discount can we offer at least? Also to differ target groups (students, elderly etc.) And what are the conditions? If, what are the margins for third-parties (distributors, supermarket etc.)

\*\*Value Proposition will assist to explain price & quality of your product/service

**NEXT STEPS**

**Next review:** \_\_\_\_\_

## Appendix 12. Feedback final BMC

1 (2)

**WHICH DESIGN DO YOU PREFER AND WHY? WHAT DO YOU LIKE OR DISLIKE?**

BMC E was the most appealing from all the selection. It was the one that made most of the sense and the most logically structured. I like the structure and the introduction of stakeholders into the model. I didn't like the competitors part that much because it is sth that you discover once the BMC es executed and you start running operations. Also, you get a better insight with a benchmark.

**SHOULD SOMETHING BE TRANSFERRED IN YOUR FAVOURED ONE? YOU CAN WRITE YOUR THOUGHTS IN A DOCUMENT DOWN OR SEND A VOICE MESSAGE.**

I think it is Ok the way it is. ATM, I have no big additional. Instead of transfer, I would delete the Competitors part from the BMC E.

Person A: I chose the model E, because it has more structure and categories of different questions and topics. It also really distinguishes and highlights also the economic and information, for example, cost structure and negotiation. And in addition, I feel it is really important to highlight what is important next to consider. And hence the conclusion what is in the lower right corner. It seems as relevant, in my opinion.

But there is also the question, what do you dislike and I somehow still pay attention to the lower, mid-right category where are the competitors, stakeholder, and sustainability. I was actually thinking about the stakeholder part where there given examples of customer, suppliers, government, society, business owner. I would actually think that the stakeholder engagement environment is actually a bit broader or it might vary a lot, depending on company, depending on how their production is inhouse or outsourced, for example. Which means that I think it might be better just to have who else could have an impact on our business and why? And then just leave a blank space for the business owner to explore and think about different perspectives. And actually, even competitors could be included in the stakeholder category as a sub-question. Because competitors are also very important stakeholder but they are possibly not really the most important one, which actually means that the company might be or should be given / could



be given the freedom to decide how important it is to look at competitors and how much they put value on the competitors' actions, and pricing.

What I think compared to the previous interview, I think sustainability category is now much clearer and, yeah, I think now really gives the importance and recognition that it deserves. And sustainability considerations are also important category and topics in new companies because of the changes, and the legal, and political environments in the past ten years.

Of course, it might be a bit challenging for me to sometimes estimate which model would be the best when someone is applying the canvas as I haven't done so, I haven't created a business, or haven't a created a business on a business idea before. So, I can comparison have longer experience working on business ideas. But in general, I feel that there are good sub-questions that could help the company to get started with their thinking but maybe some considerations should still be put to make sure that the questions are enough broad in a way that it is applicable to different types of companies and that the model doesn't restrict entrepreneur's thinking that is actually encourages and motivates, and creating ideas and that the sub-questions do not limit to different kinds of perspective. That could be still take into consideration to make sure or just to give it a thought that the questions or the sub-questions do not restrict the thinking, you know, bringing the idea into business.

In general, I feel that structure is now better and there are good categories, but I was still paying attention to stakeholder and how do you form sub-questions related to the stakeholders. And just make sure that the sub-questions are not too narrow. I can't give an example or I do not have an example right away, but just give it a thought that are the questions good in terms of the scope and that they are not too leading in a sense.

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