



# Lean Business Model Canvas

Free to use  
template with  
guidance

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# Lean Canvas



Adaptation of Business  
Model Canvas



Three focus areas:

The problem  
Solution  
Key Metrics



Originally developed by  
Ash Mauraya (2010)

# WHY LEAN BUSINESS MODEL CANVAS?



It's a great tool to use to improve the focus and clarity of what your solution is trying to achieve



Focus on the problem-solution fit



Use Build-measure-learn cycles



Is a good input to your marketing strategy, positioning statement as well as your Sales strategy

# The Lean Canvas

Designed for:

Designed by:

Date:













Version:

Startup Name

Name1, Name2, ...

DD/MM/YYYY

X.Y

<p><b>Problem</b> </p> <p>Top 3 problems</p>	<p><b>Solution</b> </p> <p>Top 3 features</p>	<p><b>Unique Value Prop.</b> </p> <p>Single, clear and compelling message that states why you are different and worth buying</p>	<p><b>Unfair Advantage</b> </p> <p>Can't be easily copied or bought</p>	<p><b>Customer Segments</b> </p> <p>Target Customers</p>
<p><b>Existing Alternatives</b> </p> <p>List how these problems are solved today.</p>	<p><b>Key Metrics</b> </p> <p>Key activities you measure</p>	<p><b>High-Level Concept</b> </p> <p>List your X for Y analogy (e.g. YouTube = Flickr for videos)</p>	<p><b>Channels</b> </p> <p>Path to customers</p>	<p><b>Early Adopters</b> </p> <p>List the characteristics of your ideal customers.</p>
<p><b>Cost Structure</b> </p> <p>List your fixed and variable costs.          Customer acquisition costs          Distribution costs          Hosting          People          Etc.</p>		<p><b>Revenue Streams</b> </p> <p>List your sources of revenue.          Revenue Model          Life Time Value          Revenue          Gross Margin</p>		

# IDENTIFY THE PROBLEM YOU SOLVE

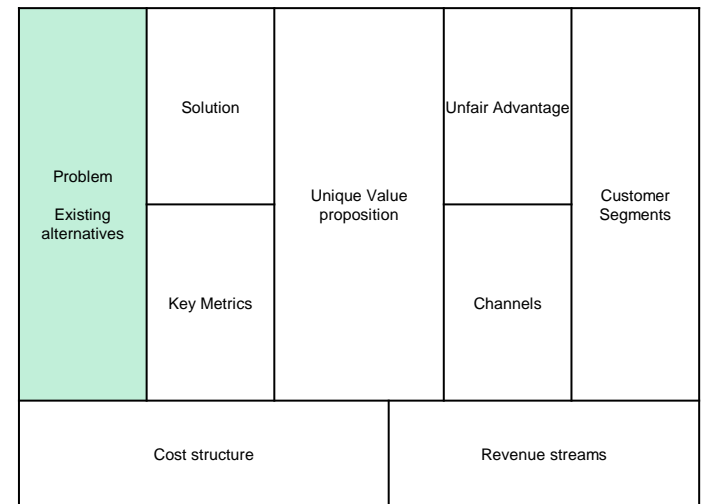
## PURPOSE

What are our customers' top 3 problems. What are they trying to do?  
What gets in the way?

Don't forget to list existing alternatives to the problem outlined.

## GUIDANCE

- There can be different methodologies for finding customer problems / pain-points
  - Observations
  - Focus groups
  - Interviewing
  - Social Media
- Try using this technique:
  - **My <product or service> will help my customers solve <problem> because it does <solution> (innersocialmedianess.com)**



# DEFINE CUSTOMERS AND USERS

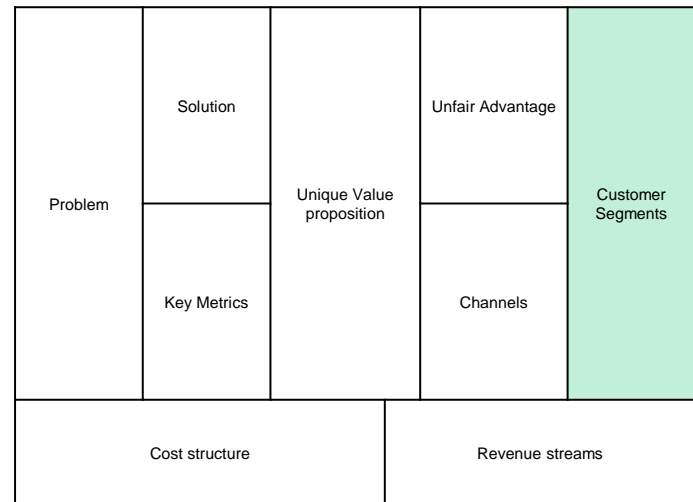
## PURPOSE

For whom are we targeting to create value? Who are our most important customers and users? Is our customer base a Mass Market, Niche Market, Segmented, Diversified, Multi-sided Platform. Do you have an ideal customer?

- Distinguish between customer and users:
  - **A customer is a someone that pays for your product**

## GUIDANCE

- Who are we solving the problem for?
  - List your ideal customer and their characteristics
- Express and focus on the major needs and expectations of the most important user groups
- Who are the customers/users of this product/service?
- Can they be segmented into smaller segments?
- Understanding what customers are trying to achieve and observing how they achieve things provides valuable insights into why and how you can help them
- Make sure that you identify their existing needs/problems and identify the alternatives that they currently use



# VALUE PROPOSITION – WHAT VALUE TO WE DELIVER?

## PURPOSE

What value do we deliver to the customer? Which one of our customer's problems are we helping to solve? A value proposition is a positioning statement that explains what benefits we provide for who and how we do it uniquely well

## GUIDANCE

- What is the problem I am solving?
- Why would someone want to have this problem solved?
- What is the underlying motivator for this problem?
- Try to write a single, clear compelling message

Try this template below:

- At **[company name]** we enable **[customer segments]** to achieve **[list of benefits]** by offering a **[solution]** that solves their list of problems in a **[differentiated way]** compared to **[existing alternatives]** - neoschronos.com
- Useful high-concept pitches examples:
  - Tinder = Uber for singles

Problem	Solution	Unique Value proposition	Unfair Advantage	Customer Segments
	Key Metrics		Channels	
Cost structure			Revenue streams	

# DESCRIBE YOUR DIFFERENTIATED SOLUTION

## PURPOSE

Outline possible solution for each problem. Describe the solution in a “what” that it is clearly solving the customer problem

## GUIDANCE

- How does it make the lives of your customers better
- How do your proposed solutions ease existing pain points?
- Can you by having a minimum viable product (MVP) demonstrate the unique value proposition?
  
- Remember to simply sketch out the top features as all you have are untested hypotheses
- Bind a solution to your problem as late as possible – [leanstack.com](http://leanstack.com)

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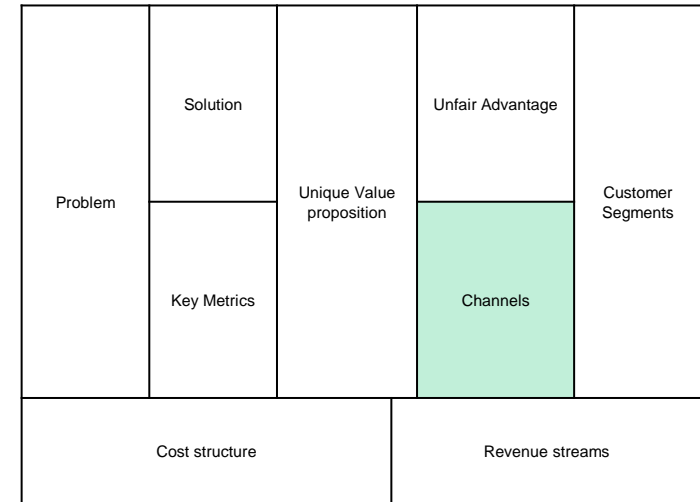
# CHOOSE YOUR CHANNELS TO MARKET

## PURPOSE

Channels are the touch points that let your customers connect with your company. Through which Channels do our Customer Segments want to be reached? How are we reaching them now? How are our Channels integrated?

## GUIDANCE

- Awareness: How do we raise awareness about our solutions?
- Through which channels do our customer segments want to be reached?
- How are the channels (online, physical) integrated?
  
- Company Website
- Social Media Sites
- In-house sales
- Tradeshows
  
- B2B vs. B2C
- Resellers vs. distributors?
- Customer as marketing partners?



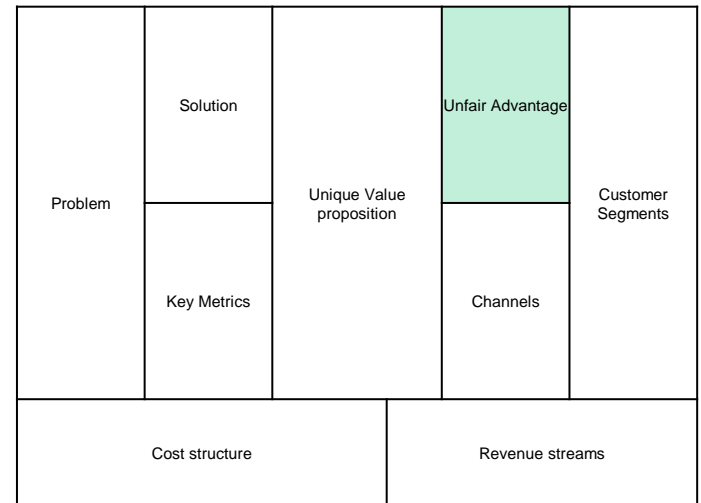
# UNFAIR ADVANTAGE

## PURPOSE

What is your unique advantage that can't be easily copied or bought.

## GUIDANCE

- Do you have an exclusive agreement?
- Acclaimed expertise?
- Technology?
- Team structure?
- Reputation?



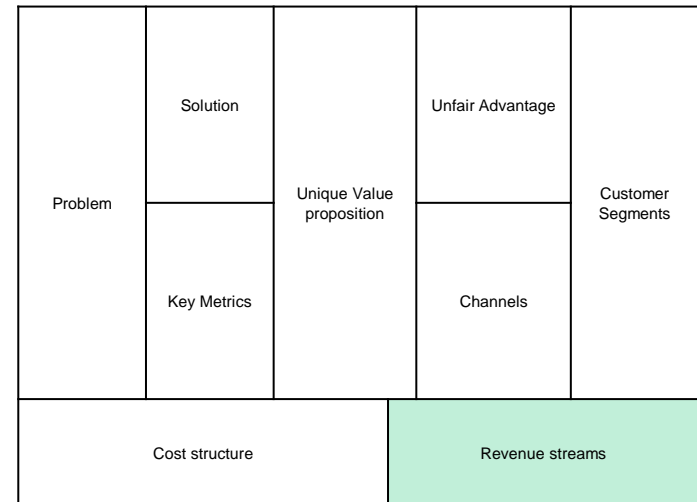
# REVENUE STREAMS

## PURPOSE

List your sources of revenue. These are the different ways that an organization would use to get revenue. Examples could be ad-sales, asset sale, subscription fees and pay-as-you go.

## GUIDANCE

- Are customers willing to pay for a potential solution to this problem?
- For what value are customers willing to pay?
- How would they prefer to pay?
- Sometimes useful to map the number of each segment and potential revenue.
- Remember you must often out early adopters vs. the mainstream of regular buyers who are often harder to convert



# REVENUE STREAMS - PRICING MODEL ALTERNATIVES

Types	Description
<b>Competition-based</b>	Use competitors prices as benchmark
<b>Dynamic Pricing</b>	Flexible pricing based on market and customer demand
<b>Freemimum</b>	Offer a basic version of the solution and let customer pay for upgrade
<b>Flat rate</b>	A single price for a single set of features
<b>Usage based</b>	Pay as you go. The more you use the service, the bill goes up and vice versa.
<b>Tiered Pricing</b>	Offer multiple packages with different combination of feautres. E.g Basic or Pro.
<b>Per User</b>	If applicable, a single user pays a fixed monthly price
<b>Pay for work</b>	Fixed price model where fixed amount of hours to be delivered each month
<b>Pay for outcome</b>	In this model, consultants work side by side with the customer towards jointly set results or "outcomes". The high "hourly rate" is justified by the measurable or subjective value created for the customer
<b>Razor and Blade</b>	It means that the customer pays a small percentage for an initial product or service (like a razor) and then pays for the inputs (razor blades) required to run a process and get results
<b>Finance pricing</b>	Combine a fixed price model (where all customers pay the same price no matter how much time the delivery takes) with a financing solution. The supplier is paid directly by using a third party as a financier
<b>Group Delivery</b>	Another way to increase profitability is to deliver services to customers in groups. By bringing together several companies, which are able to benefit from the consultancy delivery jointly, the internal hourly rate can be considerably higher than if the delivery were to be made individually and with traditional pricing "per hour"
<b>Know-how / Customer adaption</b>	Adaption, installation, service and licencse included in pricing

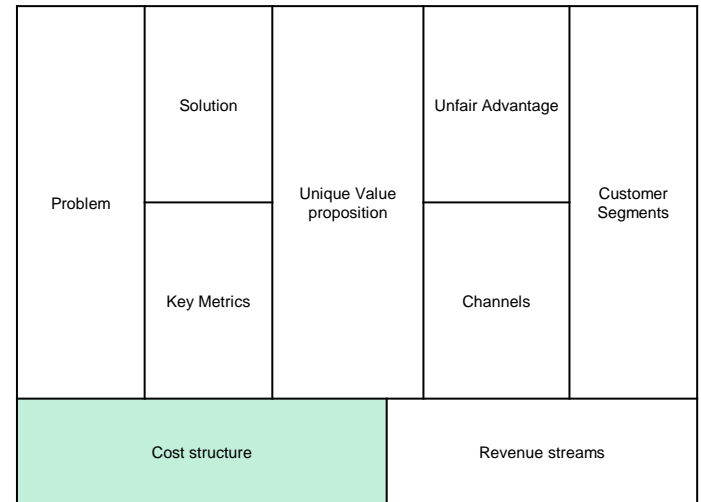
# COST STRUCTURE

## PURPOSE

Describes all costs incurred to operate a business model. Practice to create a financial plan to understand the amount of money acquired monthly to perform necessary tasks. List your fixed and variable costs

## GUIDANCE

- What key resources and key activities are most expensive?
- Fixed costs (salaries, rents, utilities)
- Variable costs
- Economies of scale
- Economies of scope



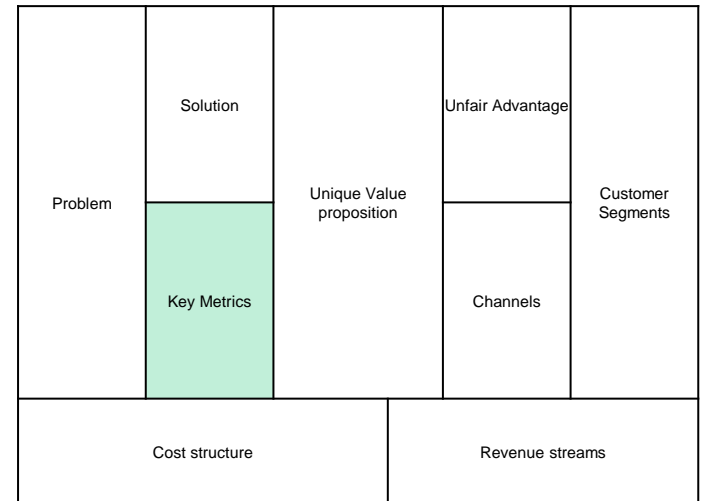
# KEY METRICS

## PURPOSE

- List success metrics for customer, channels and solutions.
  - How would you define success for your startup?
  - What are the KPIs you wish to chase?

## GUIDANCE

- Growth and adaption metrics
  - Metrics like Customer Acquisition cost(CAC)
  - Customer Lifetime Value(CLV)
  - Customer Satisfaction
  - Customer Acquisition Cost (CAC)
  - Sales Conversion Rates
  - Server Availability
  - Average Number of Faults per Release
  - Monthly Recurring Revenue (MRR)
  - Annual Recurring Revenue (ARR) for Software-as-a-Service
  - Profitability and Revenue Growth Rates



# REFERENCES

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- <https://conceptboard.com/blog/lean-canvas-template/>
- <https://neoschronos.com/insights/how-to-create-your-business-model-lean-canvas-edition/>
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- <https://bmtoolbox.net>
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