TSiBA Ignition Centre

Building Your Business
The Business Model Canvas
Overview:

The purpose of this activity is to help you, as an entrepreneur, develop and refine your business (or business idea). It is the best first step towards writing a business plan. It is derived from a concept called the Business Model Canvas which was developed by Alexander Osterwalder and Yves Pigneur with the help of 470 entrepreneurs from around the world. The complete process is explained in their book, *Business Model Generation*, and what follows is a simple, user-friendly version that is directed towards small business owners and entrepreneurs like you.

Instructions:

The topics outlined in the following sections are the key building blocks to any successful businesses. Answer the questions that follow to the best of your ability and remember to be as specific as possible. The more detailed your answers are, the easier your work will be later. Keep in mind, however, that this activity is formatted to suit all kinds of businesses so some questions may not be as relevant to your particular idea. Regardless, *no section should be left blank*.

As for the Business Model Canvas to the right, it serves as your “Executive Summary” which you leave until you have addressed all nine sections. Once you have completed the nine, summarize your responses in bullet points on the canvas. Enjoy!
## The Business Model Canvas

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<th>5. Income Sources</th>
<th>1. Customers</th>
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<th>2. Value Creation</th>
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<th>6. Key Resources</th>
<th>7. Key Activities</th>
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<th>8. Key Partners</th>
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AN ENTREPRENEURIAL OATH

I have undertaken a journey of growth and pain. I understand that there will be many dark days where I will want to throw in the towel, but won't.

I know that, for what might seem the longest time, I will dread month-end. I am comfortable with being pressured by my family and friends to get a real job. I am prepared to lie awake, for many nights, planning my way out of perceived imminent failure. I am ready to be told by my potential clients that I am too expensive or too inexperienced. I anticipate falling so many times that I will ache as I stand up again.

For I know that it will all be worth it in the end as I extinguish the words of my naysayers and the loudest of them all - the one that lives in my head.

For I am an entrepreneur; I have chosen this life above immediate comfort as I strive to create wealth and to make a difference in the world around me.

- Allon Raiz
Section 1: Customers

a. Who will you be selling to or serving?
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b. Will you sell to different groups of people or is your product something everyone needs? (women vs. men, young people, families etc.)
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C. How many people do you think need your product? How often will they buy this from you in a month? Give an estimate of your expected number of customers per month based on your product/service and the area in which you plan to operate your business.
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The only place success comes before work is in the dictionary
Section 2: Value Creation

a. What are the problems or needs your customers have?
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b. How does your product or service help solve those problems?
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C. How is the value you create different and more relevant to your customers than your competitors?
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Opportunity is missed by most people because it is dressed in overalls and looks like work
Section 3: Sales and Promotion Channels

a. Where do you think your customers tend to look when they are looking for your products or services? Are they more likely to look online at social media sites (facebook or linkedin), in newspapers, specialty stores, yellow pages etc?

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b. How will you get people to know about your business? Have you made adverts or thought of advertising? Do you have a website? Any other ideas about how to reach your customers?

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C. How will you deliver your products and services to customers? Will you deliver directly or are there middlemen involved?

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Attitude is the little thing that makes a big difference
Section 4: Customer Relationships

a. What kind of relationship would you like to have with your customers? Will you have a direct relationship, automated services (ecommerce) or self service (for example, ATM or vending machine)?

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b. Are you more focused on getting lots of customers, keeping the customers you have, or a combination and how do you plan to do that?

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A bend in the road, is not the end of the road... unless you fail to make the turn
Section 5: Income Sources

a. How will you make money? (Selling, charging usage fees, renting etc.)

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b. What kind of pricing structure do you plan to use? Do you have a price list?

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c. How does your pricing compare to the pricing of competitors in the area? Do you charge more or less than your competitors, why?

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If you don’t run your own life, somebody else will
Section 6: Key Resources

a. What do you need to start or grow your business (a place from which to work, transportation, knowledge, money, skilled workers etc.)?

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b. How do you plan to get these things?

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You can’t learn to swim by exercising on the beach
Section 7: Key Activities

a. What do you need to do to make your business run?

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b. Do you need to design, make, or deliver your product? If so, make a to-do list.

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c. Do you need to create or design new solutions or services to address your customers’ needs and problems? If so, make a to-do list.

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Hard work spotlights the character of people: some turn up their sleeves, some turn up their noses, and some don’t turn up at all
Section 8: Key Partners

a. Who do you need to work with to get supplies and other key resources for your business?
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b. How do you plan to make these relationships?
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You may be broke, but you are not poor
**Section 9: Costs**

a. What are your start-up costs? These are items you need to buy only once before you start business, for example office equipment, a car or any machines? Estimate the cost of each of these items.

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b. What are your monthly costs? Do you have to pay for rent or salaries (even if it is just for yourself)? Do you have to pay for petrol or raw materials? Estimate the cost of each of these items per month.

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The Tertiary School in Business Administration (TSiBA) was founded in 2004 with a vision to be an innovative and sustainable learning community that graduates entrepreneurial leaders who ignite opportunity and social change.

TSiBA is a unique private, not for profit business school that helps people who cannot access opportunities to jump ahead in life. TSiBA does this by providing emerging leaders an opportunity to study high quality, accredited academic courses that are focused on developing entrepreneurship and leadership. Our aim is to provide excellent business education for people with a social conscience who have the desire and the skills to build our nation.
TSiBA Ignition Centre

TSiBA Ignition Centre was founded in January of 2007 as a supplement to TSiBA Education. Its mission is to be an innovative mentoring community that develops confident entrepreneurs who earn sustainable livelihoods, create jobs and drive economic and social prosperity. The centre targets students of TSiBA but also all entrepreneurs from economically marginalized communities in Cape Town combining the objectives of profitability, job creation, skills development and social impact.

Our Model

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Ignition Centre
Mission Statement

To be an innovative mentoring community that develops confident entrepreneurs who earn sustainable livelihoods, create jobs and drive economic and social prosperity