

# Lolli's World Ep 11

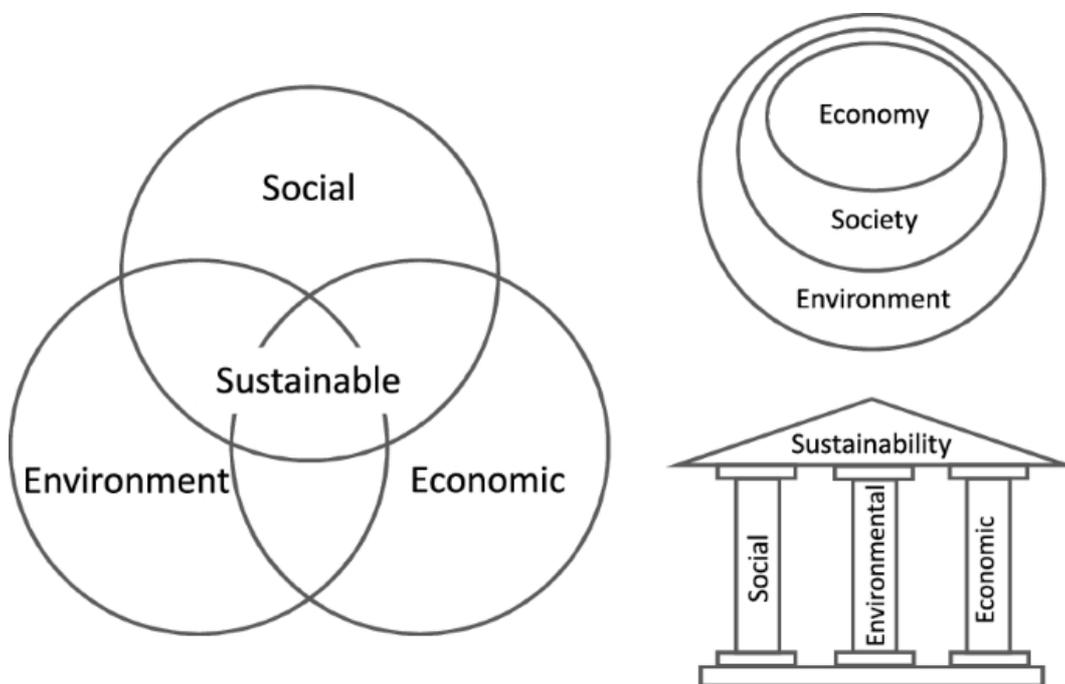
Lolli's World Ep 11.1 (Canvas)



# Sustainability and Business Model - Three pillars

The topic of sustainable business models is growing in literature and in the industry, forcing companies to search for opportunities to improve their impact on sustainability (three pillars): profit, people, and planet (economic, social, and environmental). The process of developing sustainable business models is often complex, due to conflicting objectives from the three dimensions of sustainability.

Figure 1: Left, typical representation of sustainability as three intersecting circles; right, alternative depictions: literal 'pillars' and a concentric circles approach (Source: [SpringerLink](https://link.springer.com/article/10.1007/s11625-018-0627-5) [↗](https://link.springer.com/article/10.1007/s11625-018-0627-5) (<https://link.springer.com/article/10.1007/s11625-018-0627-5>).



Watch the video: The three pillars explained

Triple bottom line (3 pillars): sustainability in business



## Business Model Canvas for Sustainability

In the literature you can find different articles and authors discussing sustainability-oriented business model canvas frameworks. Here is an overview:

- **Extended model of Osterwalder and Pigneur (2011):** new blocks for social/ecological costs and revenues.
- **Strongly Sustainable Business Model Canvas of Jones and Upward (2014):** new perspectives (stakeholder, product/learning/development, process, measurement) including new elements (bio-physical stocks, eco-system services, partnerships, decisions, stakeholders, actors, needs, success, assets, valuation method, tri-profit).
- **Sustainable Business Canvas of Fichter and Timann (2015):** new elements (business model vision/mission, competitors, relevant stakeholders), and elements customer segments, channels, and customer relationship combined to one element “customers”.
- **BMC approach extended for infrastructure by Foxon et al. (2015):** division of value proposition and revenue is changed to value stream and divided (fiscal, social, development, ecological).
- **Triple layer business model canvas of Joyce and Paquin (2016):** new layers of canvases for social and environmental pillars of sustainability.
- **Sustainable Business model Canvas (S-BMC) by Gerlach (2018):** restructure of Canvas and new additional blocks/elements (impact, end of life, subsidisation).

# Sustainable Business Model Canvas (SBMC)

Watch the following video and think about how to design a successful sustainability practice using Business Model Canvas (BMC).

The Sustainable Business Model Canvas, 11 Steps to desig...



The Sustainable Business Model Canvas (SBMC) is a great tool to encourage entrepreneurial individuals or teams to think about a sustainable product/service and business model design. It enables them to think about all aspects relevant for holistic business model design (economical, environmental and sociocultural aspects).

By thinking about sustainability from the start, users can maximise the sustainability impact and generate more innovative solutions. At the same time, the Sustainable BMC retains the advantage of the classic BMC of forcing individuals or teams to focus on the value proposition and other important aspects of their entrepreneurial idea.

 <b>Positive Impact (Maximise)</b> <i>What are positive 2<sup>nd</sup> and 3<sup>rd</sup> order effects of your product on planet, society, the economy or your organisation (e.g. brand)? How can these effects be <b>maximised</b> along the complete product life cycle?</i> <i>You can use the left side of the Threebility Sustainability Impact Canvas to generate the input for this section</i>		 <b>Negative Impact (Minimise)</b> <i>What are negative 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> order effects, and how can these be <b>minimised</b>? Is harmful waste generated that requires expensive disposal? Are there <b>rebound effects</b> or new <b>technological risks</b>?</i> <i>You can use the right side of the Threebility Sustainability Impact Canvas to generate the input for this section</i>			
 <b>Sustainable Partners</b>  <i>Who are possible <b>partners</b> in becoming more sustainable?</i> <i>How can we make the whole supply chain sustainable, transparent and <b>circular</b>?</i> <i>Can we <b>cooperate</b> with partners from other industries to form an industrial symbiosis?</i> <i>Can we shape anticipated environmental regulations by partnering and cooperating with <b>relevant regulatory bodies</b>?</i>	 <b>Sustainable Value Creation</b>  <i>Which are our <b>key activities</b>? How can we adjust them (e.g. <b>manufacturing</b>) to ensure sustainability?</i> <i>Which <b>enabling sustainable technologies</b> can be used?</i>	 <b>Sustainable Value Proposition</b>  <i>Which <b>problem</b> do we solve, which <b>value</b> do we create?</i> <i>What are <b>function &amp; form</b> of our product or service?</i> <i>Can we solve our customers' problems more sustainably?</i> <i>Can we transform sustainability into customer value?</i> <i>Is ownership necessary or is the product as a service model applicable?</i> <i>Can we extend the <b>product life cycle</b>?</i>	 <b>Sustainable Customer Relation</b>  <i>Which customer relationships satisfy customer expectations <b>and are sustainable</b>?</i> <i>How can we make <b>current relationships</b> more sustainable?</i>	 <b>Responsible customers</b>  <i>Who are our customers? How can we <b>enable</b> them to act sustainably?</i> <i>Which target customers may help to <b>promote our sustainable solution</b>?</i>	
	 <b>Sustainable Tech &amp; Resources</b>  <i>Which 1) <b>natural</b>, 2) <b>energy</b> and 3) <b>technical</b> resources do we need?</i> <i>Can we <b>substitute</b> any for more sustainable resources?</i>	 <b>Sust. Channels</b>  <i>How can we make our distribution channel more sustainable and <b>circular</b>?</i> <i>How do we best communicate the sustainable aspect of our product / service?</i>	 <b>End of Life</b>  <i>What happens at the end of the <b>product life cycle</b>?</i> <i>Can the product be <b>profitably recycled</b>, upcycled, reused, refurbished?</i>		
 <b>Cost Structure &amp; Additional Costs</b>  <i>What are the required costs and investments for my endeavour?</i> <i>Which resources / activities are the least sustainable? Do <b>sustainable alternatives exist</b>? Is switching economically reasonable?</i>		 <b>Subsidisation</b>  <i>Do <b>tax bonuses &amp; subsidies</b> or 3<sup>rd</sup> party <b>funding</b> exist for my endeavour?</i>		 <b>Revenue &amp; Sustainability Premium</b>  <i>Which are existing and possible revenue sources?</i> <i>Are customers willing to pay a <b>premium for sustainability</b>?</i> <i>Can we create a <b>unique advantage</b> due to sustainable proposition elements?</i> <i>Do <b>price structures</b> exist that <b>incentivize</b> sustainable customer behaviour?</i>	

The Sustainable Business Model Canvas by Threebility (www.threebility.com).

You can download the model [here](https://60cf6ee0-8fa7-475a-b0ee-fe4799cefb69.filesusr.com/ugd/b67836_7bd275b345cf4f20bc560590113a8f47.pdf).  ([https://60cf6ee0-8fa7-475a-b0ee-fe4799cefb69.filesusr.com/ugd/b67836\\_7bd275b345cf4f20bc560590113a8f47.pdf](https://60cf6ee0-8fa7-475a-b0ee-fe4799cefb69.filesusr.com/ugd/b67836_7bd275b345cf4f20bc560590113a8f47.pdf))

# How to use the Sustainable Business Model Canvas (SBMC)

The Sustainable Business Model Canvas (SBMC) can be used in the same way as the classic BMC by completing the individual sections, following the pre-filled guidelines. It is advisable to start by completing the SBMC sections 1-11.

<b>Positive Impact (Maximise)</b> <small>What are positive 2<sup>nd</sup> and 3<sup>rd</sup> order effects of your product on planet, society, the economy or your organisation (e.g. brand)? How can these impacts be <b>maximised</b> along the complete product life cycle?</small>			<b>Negative Impact (Minimise)</b> <small>What are negative 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> order effects, and how can these be <b>minimised</b>? Is harmful waste generated that requires expensive disposal? Are there <b>rebound &amp; induction effects</b> or new <b>technological risks</b>?</small>		
<b>Sustainable Partners</b> <small>Who are possible partners in becoming more sustainable? How can we make the whole supply chain sustainable, transparent and circular? Can we cooperate with partners from other industries to solve industrial problems? Can we stop environmental regulations from competing with relevant regulations?</small> <b>1</b>	<b>Sustainable Value Creation</b> <small>Which are our core value drivers? How can we adjust the value drivers to ensure sustainability? Which enabling technologies?</small> <b>2</b>	<b>Sustainable Value Proposition</b> <small>Which problems do we solve, which value do we create? What are functions in form of our product or service? Can we solve our customers' problems more sustainably? Can we transform customer value?</small> <b>4</b>	<b>Sustainable Customer Relation</b> <small>Which customer segments are most sustainable? How can we build relationships more sustainably?</small> <b>5</b>	<b>Responsible customers</b> <small>Who are our enablement partners? Which target customer segments help to generate our positive solution?</small> <b>7</b>	
	<b>Sustainable Tech &amp; Resources</b> <small>Which IT and technical competences do we need? Can we substitute sustainable resources?</small> <b>3</b>		<b>Sust. Channels</b> <small>How can we make our distribution channel more sustainable? How do we deliver our product / service sustainably?</small> <b>6</b>	<b>End of Life</b> <small>What happens at the end of the product life cycle? Can the product be recycled, reused, repaired, etc.</small> <b>8</b>	
<b>Cost Structure &amp; Additional Costs</b> <b>9</b>		<b>Subsidisation</b> <b>10</b>	<b>Revenue &amp; Sustainability Premium</b> <b>11</b>		

Once these sections have been completed, the top row can be filled in. A useful learning material and examples how to fill SBMC can be found [here](https://www.threebility.com/university) (from slide 66 on).

The SBMC can also be completed as part of the game ([sustainable BM innovation game](https://www.threebility.com/sustainable-business-model-game)), which can be "played" individually or with a team.

If you are curious about an example of application of SBMC you can read more about it [here](https://canvas.instructure.com/courses/2540530/files/151898736?wrap=1).  
[https://canvas.instructure.com/courses/2540530/files/151898736/download?download\\_frd=1](https://canvas.instructure.com/courses/2540530/files/151898736/download?download_frd=1)

# SBMC - get started!

## The Sustainable Business Model Canvas Game

One of several ways to use the S-BMC in practice is to organize a team innovation session and jointly complete the S-BMC with business model cue-cards. Instructions are [here](#)

(<https://canvas.instructure.com/courses/2540530/files/152157517?wrap=1>) ↓

([https://canvas.instructure.com/courses/2540530/files/152157517/download?download\\_frd=1](https://canvas.instructure.com/courses/2540530/files/152157517/download?download_frd=1)) .

**Download CARDS here** (<https://canvas.instructure.com/courses/2540530/files/152157543?wrap=1>)

↓ ([https://canvas.instructure.com/courses/2540530/files/152157543/download?download\\_frd=1](https://canvas.instructure.com/courses/2540530/files/152157543/download?download_frd=1)) .

## Why use SBMC?

- It forces users to think about the most relevant areas of their business within a triple-bottom-line (3BL) context
- It allows users to maximise the sustainability impact of their venture whilst minimising negative externalities
- It is fast and easy to complete
- It retains the standard BMC advantages of forcing users to focus on the value proposition and other important aspects
- It represents a common language
- It helps social entrepreneurs to structure their discussions with (impact) investors

# Additional resources - SBMC

- [Article \(https://canvas.instructure.com/courses/2540530/files/152163815?wrap=1\)](https://canvas.instructure.com/courses/2540530/files/152163815?wrap=1) ↓  
([https://canvas.instructure.com/courses/2540530/files/152163815/download?download\\_frd=1](https://canvas.instructure.com/courses/2540530/files/152163815/download?download_frd=1))  
on Three pillars of sustainability - in search of conceptual origins
- Article on sustainability of business model canvas - [here](#)  
(<https://canvas.instructure.com/courses/2540530/files/152163567?wrap=1>) ↓  
([https://canvas.instructure.com/courses/2540530/files/152163567/download?download\\_frd=1](https://canvas.instructure.com/courses/2540530/files/152163567/download?download_frd=1))
- Threebility - <https://www.threebility.com/university> ↗ (<https://www.threebility.com/university>)
- Triple layered businessmodel Canvas -

## 5.2 dr. Steve Kennedy: Triple layered business model canvas



# Lolli's World Ep 11 Conclusion

Lolli's World Ep 11.2 (Canvas)

