

Lolli's World Ep 7

Lolli's World Ep 7.1 (Canvas)

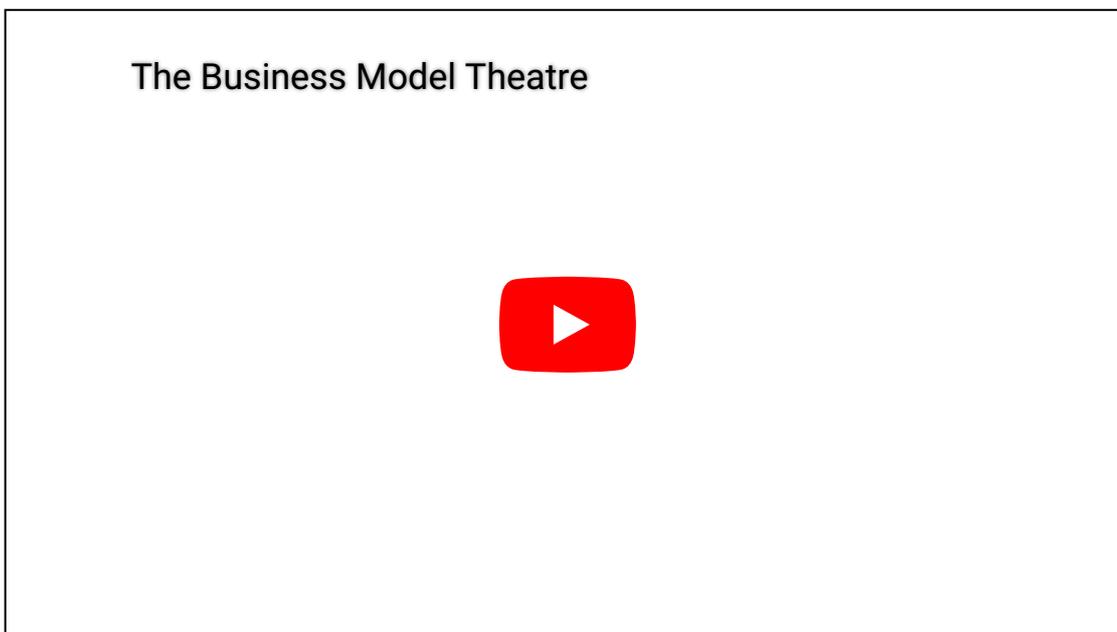


The backstage of the business model canvas

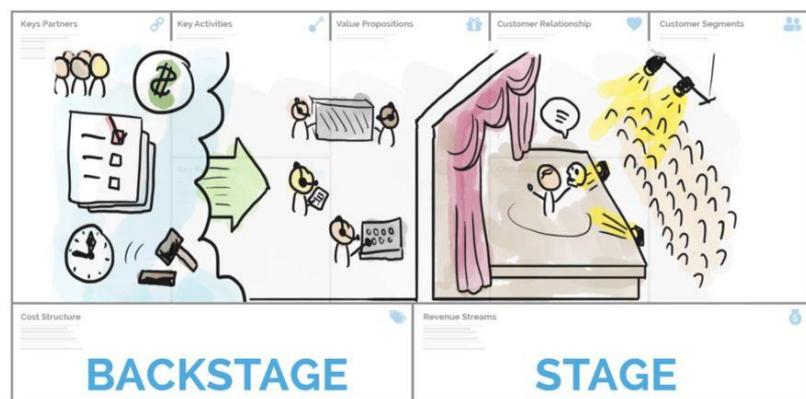
If you think about the theatre you probably know where the backstage is – right behind the curtains. Business model canvas (BMC) also has a backstage.

Which segments of the BMC would you indicate as the backstage?

Watch the video and check if your assumptions were correct.



Value proposition is taking place on the front stage where the business has the opportunity to interact with customers, clients, and users. The purpose of the backstage is to keep value proposition show going on and it is located on the left side of value proposition. Just like audience in the theatre also users and customers are not able to see what is actually going on in the backstage.



The backstage is where entrepreneurs interact with partners and employees. It is a place where different activities are planned and implemented to keep the show going on and bring value proposition to customers and users. The backstage is also where the company drives cost and tries to be sustainable (to be able to cover all the costs) and profitable (to have higher revenues than costs).

The backstage is about:



Key Activities is where your company describes the most important tasks your company must undertake to support the business model.



Key Resources describes the most important assets.



Key Partners describes the built network of suppliers and partners that impact the company's business model.



Cost Structure defines any cost that your business will incur to operate the business model.

Key activities

Watch the video and think about the question: *What are the most important activities that make the business model work?*

Business Model Canvas Key Activities - How to Build a Star...



Key activities need to be implemented to successfully build and manage the company. Like most of the segments of the BMC, key activities need to support the value proposition. They also support entrepreneur's path to reach the markets, maintain customer relationships, and earn revenue for the business.



Most businesses, including the one you want to start, have many different key activities at any given time. The key activities change all the time and that tends to be a positive thing because it means tasks are getting completed. They are also different depending on the type of business model or on the stage in which the company is at the given time. For example, in the early stages of the start-up process, key activities might be connected to doing research and applying for business license and permits. Later on, key activities can be related to creation of **value proposition**, establishing **distribution channels** or building **customer relationships**.

Watch Lolli's video and identify the key activities that Loli implemented.

Lolli's World #7: Building the Business with Partners



Remember to keep your key activities simple with achievable goals.

Key resources

Watch the video and think about the question: *What are the most important activities that make the business model work?*

Business Model Canvas Key Resources - How to Build a St...



This is the segment of the BMC that focuses on the critical things your business will need to deliver the value proposition and keep the company operating successfully. Key resources will vary depending on the type of business.

They can be **physical, intellectual, human, or financial**.

They are also leased or owned by the business and may be attained from key partners.



Examples of key resources:

Physical	Financial	Human	Intellectual
Equipment	Private loans	Trustful persons	Brands
Manufacturing	Taking a line of credit from bank	Engineers, developers	Customer databases
Buildings	Crowdfunding	Designers	Copyrights
Machines	Raising money ...	Manufacturers	Patents

Vehicles		Administrative staff	License ...
Systems ...		Support staff ...	

It is very difficult to start a business without applying key resources and it should be included in **every** business model.

Similar to the key activities, key resources allow a company to provide their value proposition, reach different markets, and build healthy relationships with their customers, users, or clients.

What were the key activities that Loli implemented?

Key partnerships

Developing key partnerships allows the company to build meaningful relationships and alliances as well as lower risk significantly, which can make company's business model stronger.

Think about the question: *What is the role of the key partners and suppliers? How can they help in delivering value proposition?*

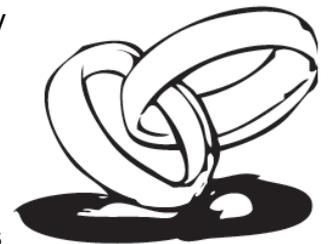
Watch the video and learn about key partnerships.

Business Model Canvas Key Partners - How to Build a Start...



Partner organisations and individuals can support entrepreneur or company in joint solving of problems, resource exchange, cooperation, coordination and coalition building. The relationship among partners can be temporary (e.g. local bodies, government, grassroots NGO's) or permanent.

A partnership brings together institutional capabilities and human resources in the form of skills, experiences and ideas to tackle common problems that are often beyond the capacity of a single organization or group.



Examples:

- government agency working with a local NGO and local elected body to enhance literacy in a rural region;
- a local community-based organization cooperating with local industry associations and local council to discuss and tackle the problem of land degradation caused by industrial activities;
- [Walmart](http://www.ecommerce-digest.com/wal-mart-case-study.html)  (<http://www.ecommerce-digest.com/wal-mart-case-study.html>) is a great example of having strong key partnerships with their suppliers and credited with starting the practice of digitally sharing sales data with their major suppliers, allowing the company to support their

value proposition of supplying a large selection of products at the lowest cost and delivery time.

- **Fiat** [↗\(http://www.ecommerce-digest.com/fiat-case-study.html\)](http://www.ecommerce-digest.com/fiat-case-study.html) is also a great example of developing key partnerships in 2008 with BMW and Chrysler.

Watch video and learn about characteristics and types of partnerships.

Business Partnership: The Characteristics and Types of Pa...



What else is important to build quality partnerships?

Trust and respect is very important for any partnership, especially since it can cross many boundaries (e.g. interpersonal, inter-institutional, cultural). There is always a risk of misunderstanding and a certain amount of tension, so open dialogue, exchange of views, defining common goals, shared values and a clear expression of interest and expectation is needed on both sides.

Transparency and **accountability** among partners are the basis for a solid and honest relationship. Clearly defined roles, rights, obligations, shared risks and rules of conduct can build good partnerships.

Solidarity means sensitivity and commitment to the problems, efforts and constraints of other partners. It includes also readiness to respond appropriately and in a timely manner to varied needs, constraints, requests or inquires based upon respect and equality in the partner relationships.

Curious how to seek help and find key partners? Watch this video and learn.

How to Seek Help and Find Key Partners: Crash Course Ent...



Think outside the industry you are operating in when considering new key partnerships.

Key partnerships to think about for any business can be a Web Developer, or a business attorney, or other companies in non-competing industries.

Identify key partnerships and the role of the partners in Loli's entrepreneurial journey.

Lolli's World #7: Building the Business with Partners



Lolli's World Ep 7 Conclusion

Lolli's World Ep 7.2 (Canvas)

