SOCIAL ENTERPRISE INSTITUTE

TOOLS FOR SOCIAL CHANGE

SOCIAL BUSINESS MODEL CANVAS

A tool to help plan, communicate and refine your business model in a simple, visual way.

THIS TOOL WILL HELP YOU TO:

- ✓ Quickly sketch out business models for multiple ideas
- ✓ Structure discussions and give your business ideas shape
- ✓ Zero in on the things that will make your venture a success
- ✓ Easily share a one-page business plan and get feedback
- ✓ Continually refine your business plan as you test assumptions

ABOUT THE TOOL:

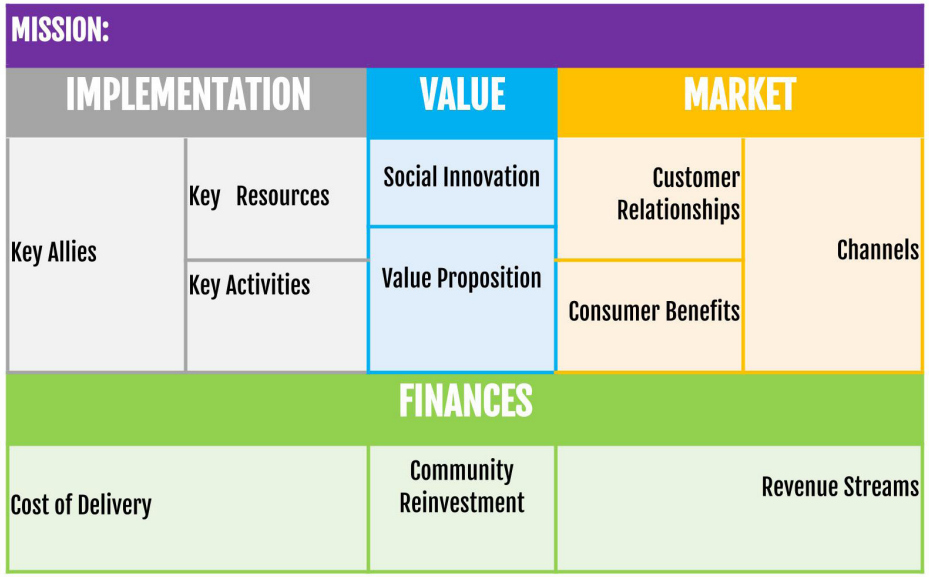
TOPIC:	Management
LEVEL OF INVOLVEMENT:	Requires dialogue with others
EASE OF USE:	★★★★☆

ABOUT THE TOOL

Social enterprises take a business approach to achieving their mission and making a difference. To ensure lasting impact, they require a viable business model.

By 'business model' we mean a design for the successful operation of a business. It describes how you will reach customers, give them something they value, and make enough money from doing so to achieve your social impact.

A Social Business Model Canvas provides a powerful visual tool to help with business model design. It's an adaptation of a well-known technique, first developed by Alexander Osterwalder.



HOW TO USE IT

Bring your team together to discuss your ideas for the venture and how you see it working.

Use the **Social Business Model Canvas** template provided to structure your conversation. Start with the **Market** and **Value** elements of the canvas (the most important elements), and don't be tempted to start filling in the canvas from left to right.

Carefully consider the questions set out later in the Further Guidance section. Write down the answers in the template or use sticky notes. Get creative.

Challenge your assumptions as you go along. How do you know that what you have written in each part of the canvas is true? What **evidence** would you need to test your assumptions?

When completed, take stock and consider the whole picture. Explore the connections and trade-offs between each section. **Is the overall picture plausible?** Are there things that you need to revisit or think differently about?

SOCIAL BUSINESS MODEL CANVAS

<table>
<tr><td colspan="5">MISSION:</td></tr>
<tr><td colspan="2">IMPLEMENTATION</td><td>VALUE</td><td colspan="2">MARKET</td></tr>
<tr><td rowspan="2">Key Allies</td><td>Key Resources</td><td>Social Innovation</td><td>Customer Relationships</td><td rowspan="2">Channels</td></tr>
<tr><td>Key Activities</td><td>Value Proposition</td><td>Consumer Benefits</td></tr>
<tr><td colspan="5">FINANCES</td></tr>
<tr><td colspan="2">Cost of Delivery</td><td>Community Reinvestment</td><td colspan="2">Revenue Streams</td></tr>
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WORKED EXAMPLE - TOM'S SHOES

MISSION: With every product you purchase, TOMS will help a person in need. One for One®.

IMPLEMENTATION		VALUE	MARKET	
Key Allies • Suppliers provide environmentally sound materials • Shoe retailers sell product to customers • Humanitarian organizations collaborate on social programs • In-country volunteers distribute shoes for free in target countries	**Key Resources** • Working capital • Large workforce • Manufacturing facilities • Volunteer base	**Social Innovation** One-for-one concept is distinctive from traditional charitable giving	**Customer Relationships** • Brand conscious millennials and hipsters • People experiencing first-world consumer guilt	**Channels** • Social media • Global awareness raising events • Campus and schools programs • Corporate cause marketing partnerships • E-commerce and online advertising • International network of shoe retailers
	Key Activities • Product development • Manufacturing process • Online selling • Tracking and shipping • Customer service • Social programs	**Value Proposition** • Meaningful cause • High quality product • Ethical company • Status symbol • Fresh way to donate	**Consumer Benefits** • Children educated • Better family health • Economic opportunity	

FINANCES		
Cost of Delivery • Shoe design and manufacturing • Marketing • Logistics • Distribution of donated shoes	**Community Reinvestment** • One-for-one product donation • Company giving program	**Revenue Streams** • Revenue from shoe sales • Sales of accessories

FURTHER GUIDANCE

There are a number of things to think about and questions to consider when completing the Social Business Model Canvas.

Mission

All social-purpose businesses are on a mission to change society for the better. What change are you planning to make in the world? Describe in broad terms how you will pursue your cause and tackle the social or environmental problems that matter.

Customer Relationships

Good businesses make a conscious decision about which customer segments to target and which to ignore. For whom are we creating value? Who are our most important customers? Focus in on your ideal customer(s) and define them clearly.

Social Innovation

You are bringing forward an important solution to a social or environmental problem. What makes your more proposed solution more likely to be effective than those that have gone before? Think about how you will apply new methods, ideas, or products to solve the problem.

Value Proposition

To be successful your social enterprise must stand out from the crowd and deliver real value to customers. What pains are you solving for your customers? What combination of benefits will you bring? Think about the things you might say to convince your customers to buy from you.

Channels

There are various communication, distribution, and sales channels that you can use. What channels will you use to reach your target customers? Which ones will be most effective? Focus initially on the channels most likely to bring success.

Consumer Benefits

There are various communication, distribution, and sales channels that you can use. What channels will you use to reach your target customers? Which ones will be most effective? Focus initially on the channels most likely to bring success.

Key Activities

There are things that your social enterprise must do, deliver, or produce to deliver value to customers and make an impact. What are the mission-critical activities you must pursue?

Key Resources

All business rely on resources to carry out their work. These could be human, financial, physical, or technological. What resources do you own or will you need to acquire or develop? Which resources will be most important to achieving success?

Key Allies

It's unlikely that your social enterprise will succeed by going it alone. Who are the people and groups that you must involve to achieve success? What value will they bring? Think about the funders, partners, suppliers and others that will influence your success and how you will work with them.

Cost of Delivery

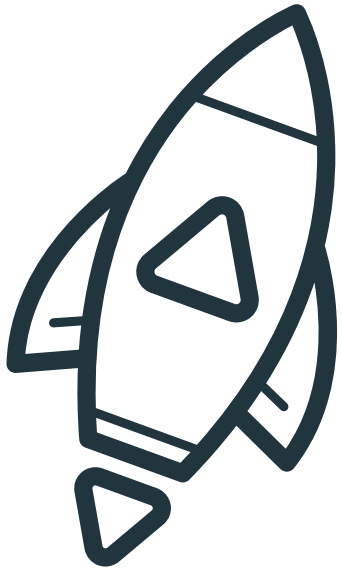
Everything costs money, and sometimes much more than you think. What are the major elements of cost involved in delivering your work and meeting needs? What resources and activities are most expensive? How will you control your main costs?

Revenue Streams

Most social enterprises rely on a mix of revenue streams to become financially sustainable. What are the main sources of earned income, grants, and donations that you will generate to support our work? Ideally, how much would each source contribute to our overall income? Think about how you will achieve a sustainable balance.

Community Reinvestment

All social enterprises must make a surplus (profit) in order to remain afloat and deliver on their mission. How much surplus do you hope to generate annually and what proportion will be reinvested? In what ways will you reinvest this surplus in support of your organization and in service to your community?



TOOLS FOR SOCIAL CHANGE

SOCIAL ENTERPRISE INSTITUTE

The Social Enterprise Institute is the world's school for social enterprise. We bring all the knowledge and tools you will need to start, manage, and grow an amazing social enterprise... plus a supportive global community of peers, instructors, and coaches.

www.socialenterpriseinstitute.co