

THE SOCIAL ENTERPRISE MODEL CANVAS

Understanding and communicating how your social enterprise creates, delivers and captures value



WHAT IS THE SOCIAL ENTERPRISE CANVAS?

In simple terms, the Social Enterprise Model Canvas ('Canvas') is a tool used to visualise all the building blocks of starting a social enterprise, including customers, route to market, value proposition and finance.

The Canvas is inspired by the Business Model and Social Business Model Canvas.



ADVANTAGES OF THE SOCIAL ENTERPRISE MODEL CANVAS

FOCUSED

The Canvas is designed to guide your thinking through each of the building blocks of your social enterprise's business model - how the functions, activities and processes interlink and interlock. It gets you to think in a more systematic and formal way, ensuring that each area is effectively covered to produce a more comprehensive and considered picture of your social enterprise.

COMMON LANGUAGE

The beauty of the Canvas is that it creates a common reference and language that can be used to articulate, share and thereby gain feedback on your social enterprise's model. It provides a straight-forward yet transparent reference that can be used internally across teams, as well as externally with advisors, investors and partners.



VALUE PROPOSITION

At the heart of the Canvas is the Value Proposition - the central pillar around which all the other elements revolves. It is the reason why your social enterprise exists and provides the guiding direction for all aspects of your core behaviours and activities. Nailing the Value Proposition is vital to the overall success of any social enterprise.

FAST & AGILE

Forget about a 40 to 50 page business plan document. The key principle of the Canvas is to concentrate on quality rather than quantity. It is a living document that should be tested and re-worked over time. At any point it is purely a set of hypotheses that need to be tested and validated with actual customers/beneficiaries.

EXERCISE: COMPLETE YOUR CANVAS

Now it's time to draft your social enterprise's business model. To do this, your Canvas needs to answer the following questions:

- How are you reaching your customers and building a sustainable relationship?
- How are you creating the value you propose?
- How are you generating revenue and what are your major cost drivers?

01

Define how to deliver value

This is about defining your customer segments, the respective value proposition and the customer channels you will use to deliver this value, as well as how you will initiate, grow and maintain customer relationships.

02

Define how you create value

This is about how to create the value that you are offering to your customers through activities, resources and partners.

03

Define how to capture value

This is about how to capture value for your social enterprise. There is a variety of different costs. Define the major cost drivers (cost structure) and the major ways you intend to make revenue (revenue stream).

TEMPLATE: THE SOCIAL ENTERPRISE CANVAS

<p>Corporate Structure <i>What is your formal corporate structure? What is your management structure?</i></p>	<p>Key Activities <i>What key activities do your Value Propositions/Distribution channels/Relationships/Revenue Streams require?</i></p>	<p>Value Propositions <i>What value do you deliver to your customer? Which one of your customer's problems are you helping to solve? What bundles of products and services are you offering to each Customer/Beneficiary Segments? Which customer needs are you satisfying?</i></p>	<p>Intended Social Impact <i>What is the intended outcome? What is the social change you are trying to create? What measures will you use?</i></p>	<p>Customer/Beneficiary Segments <i>For whom are you creating value? Who pays what (full/discouted free)?</i></p>
<p>Key Partners <i>Who are your key partners? What resources/services do they provide?</i></p>	<p>Key Resources <i>What key resources do your Value Propositions/Distribution channels/Relationships/Revenue Streams require?</i></p>		<p>Unintended Consequences <i>What unintended effects are you having? How will the environment be impacted?</i></p>	<p>Customer/Beneficiary Relationships <i>What time of relationships does each of your Customer/Beneficiary segments expect you to establish and maintain?</i></p>
<p>Cost Structure <i>What are the most important costs inherent in your business model? Which Customer/Beneficiary Segments and Partners provide the resources you need?</i></p>		<p>Revenue Streams <i>What are the difference sources you tap to generate income? How much does each stream contribute to overall revenues?</i></p>		<p>Distribution Channels <i>How will goods/services be delivered? Through which channels do your customer segments want to be reached? Which channels are most effective?</i></p>

EXAMPLE: WARBY PARKER

Warby Parker is a social enterprise that donates a pair of eyeglasses for every pair sold.

<p>Corporate Structure</p> <p>Privately-held, sponsor-backed company</p> <p>Technically a B corporation, such companies are held to high social, environmental and transparency standards in a structured certification process</p> <p>Hierarchical and highly departmentalised; each department has a role to play in the achievement of the company objectives. Management allows employees to participate in the formulation of strategy</p>	<p>Key Activities</p> <p>Online eyewear retailer</p> <p>Buy a Pair, Give a Pair program</p> <p>Virtual and home try-on program</p> <p>Design and branding</p> <p>Manufacturing and production</p> <p>Marketing and sales</p> <p>IT and Ecommerce</p> <p>Product R&D</p>	<p>Value Propositions</p> <p>To offer high-end designer eyewear at a revolutionary price</p> <p>Socially conscious business</p> <p>Donating glasses to those in need (Buy a Pair, Give a Pair)</p> <p>Free shipping and returns</p>	<p>Intended Social Impact</p> <p>People in the developing world have their vision restored</p> <p>Creates jobs and stimulate the local economy by training low-income entrepreneurs how to start their own businesses selling glasses at affordable prices</p> <p>Empowers consumers to become active philanthropists in the fight against hunger in America</p>	<p>Customer/Beneficiary Segments</p> <p>Trendy and cost-sensitive</p> <p>Socially conscious; consumers who feel a desire to do good</p> <p>Millennials</p> <p>Tech savvy</p> <p>Communities in need of eyewear</p>
<p>Key Partners</p> <p>Supplier: Italian acetate producer; Chinese factories; New York optical labs</p> <p>Logistics: Navarre</p> <p>Retailors/Distributors: Selected boutiques, medical community</p> <p>Investors/Funders: Tiger Global</p> <p>Media: PR firm, GQ and Vogue</p> <p>Impact Partner: VisionSpring</p> <p>Other: payment gateways, insurance companies</p>	<p>Key Resources</p> <p>Customer-focused service</p> <p>Low-cost supply chain</p> <p>Social mission</p> <p>Company culture</p>		<p>Unintended Consequences</p> <p>Model can undermine local producers and disrupts the local economy e.g. craft people in the community could be run out of business</p> <p>Distributing free goods can create a culture of dependence and doesn't solve the problem once and for all</p>	<p>Customer/Beneficiary Relationships</p> <p>Quiz process to get free recommendations</p> <p>Online eye exam appointments</p> <p>Personal assistance</p> <p>Community</p> <p>Home Try-On program allows customers to choose five frames from the website which they receive to try on at home for five days free of charge</p> <p>Long-term deep relationship</p>
<p>Cost Structure</p> <p>Manufacturing</p> <p>R&D</p> <p>Marketing promotion</p> <p>Operations</p> <p>Funds to Impact Partners like VisionSpring</p> <p>Carbon offsets</p>		<p>Revenue Streams</p> <p>Online eyewear sales directly from customers by cutting out the middle man. To cross-finance donations to people in need we follow the idea: for every glass sold we donate another pair.</p>	<p>Distribution Channels</p> <p>Designs glasses in-house and sells directly to customers</p> <p>Official website</p> <p>Showrooms and boutiques</p> <p>Social networks</p> <p>Brick and mortar stores</p> <p>Gift cards</p> <p>Phone and email</p> <p>Events</p>	

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<p>Key Partners</p>	<p>Key Resources</p>		<p>Unintended Consequences</p>	<p>Customer/Beneficiary Relationships</p>
<p>Cost Structure</p>		<p>Revenue Streams</p>		<p>Distribution Channels</p>

3 TIPS FOR COMPLETING YOUR CANVAS

01. POWER IN NUMBERS
Filling out the Canvas works best when printed out on a large surface or drawn on a white board so groups of people can jointly start sketching and discussing business model elements with Post-it notes or markers.

02. SEGMENTS & VPs
The Canvas looks flat, but actually it's not- it's hierarchical. The relationship between 'Customer/Beneficiary Segments' and 'Value Propositions' is should drive the rest of the Canvas. Given that, it's worth spending as much time as you need here.

03. KEEP IT HIGH-LEVEL
When talking through your business model, don't be tempted to explain every detail. Focus on the critical elements and leave out details. Why is your business model different? What makes it stand out? Why is it going to succeed where others didn't? You can always follow-up with more details if required.

LOOKING FOR FUNDING & EXPOSURE?

**Don't waste time searching.
Let the opportunities come to you.**

Supercharge your social impact with access to the most up-to-date opportunities available in Australia and internationally. We would be delighted to have you join us and help you achieve your objectives.

JOIN AS A MEMBER

GET 10% OFF MEMBERSHIP with code: CANVAS

