



WP7 Business model mapping and assessment

D7.1

Innovation of a common language

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About MARIBE

MARIBE is a Horizon 2020 project that aims to unlock the potential of multi-use of space in the offshore economy (also referred to as Blue Economy). This forms part of the long-term Blue Growth (BG) strategy to support sustainable growth in the marine and maritime sectors as a whole; something which is at the heart of the Integrated Maritime Policy, the EU Innovation Union, and the Europe 2020 strategy for smart, sustainable growth.

Within the Blue Economy, there are new and emerging sectors comprising technologies that are early stage and novel. These are referred to as Blue Growth sectors and they have developed independently for the most part without pursuing cooperation opportunities with other sectors. MARIBE investigates cooperation opportunities (partnerships, joint ventures etc.) for companies within the four key BG sectors in order to develop these companies and their sectors and to promote the multi-use of space in the offshore economy. The sectors are Marine Renewable Energy, Aquaculture, Marine Biotechnology and Seabed Mining. MARIBE links and cross-cuts with the Transatlantic Ocean Research Alliance and the Galway Statement by reviewing the three European basins (Atlantic, Mediterranean, and Baltic) as well as the Caribbean Basin.

Project coordinator



MARIBE project partners



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Chapter 1 Introduction

This deliverable introduces the Business Model Canvas as a tool for creating a common language for understanding business models.

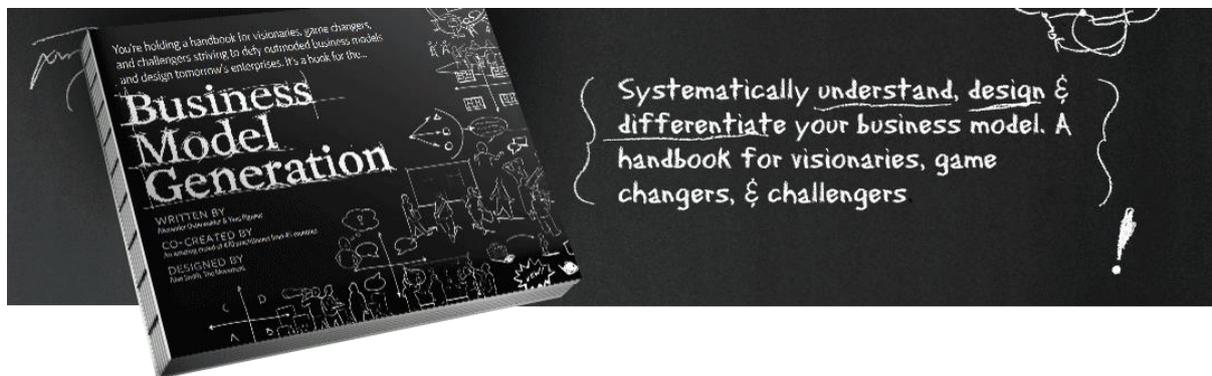
The world is changing

For years, many organizations had a sound and healthy business model. Nowadays, as a result of drastic changes, organizations find that their current business model does not work anymore. The financial crisis, new technologies, rules and regulations, changing customer behavior, the Internet, and (free) access to information and knowledge change the rules of doing business. Traditional business models become outdated and business leaders feel the urge to innovate and build new business models.

The need for change

Organizations need to become strategically flexible and regularly scrutinize their business model in order to grow and stay ahead in today's market. They need to ask questions like, how does our company create value today? How can we systematically invent, design and implement powerful new business models? How can we question, challenge and transform old and outmoded business models? How can visionary ideas be turned into game-changing business models that challenge the business as usual?

A new way to understand value creation is needed, which is why the Maribe project used the book *Business Model Generation* (Osterwalder and Pigneur, 2010) to better understand business models in the Blue Economy.



Chapter 2 Common language

Business model innovation is something that can be managed, structured in processes, and used to leverage the creative potential of a company or multiple companies with a desire to work together. Before starting with business model innovation, companies, their investors, and other stakeholders should first have a common understanding of how a company currently creates, delivers, and captures value (i.e. the current business model). A common language is needed to create this common understanding. A language that allows everyone involved to talk about the same thing and have a truly strategic conversation about how the business is working.

The Business Model Canvas

The Business Model Canvas has been selected to provide such a common language. The Business Model Canvas is a visual tool, providing a shared language for describing, visualizing, assessing, and innovating business models. The Business Model Canvas describes a company's business model through nine building blocks that show the rationale of how a company creates, delivers, and captures value. Figure 1 shows the Business Model Canvas and its nine building blocks.

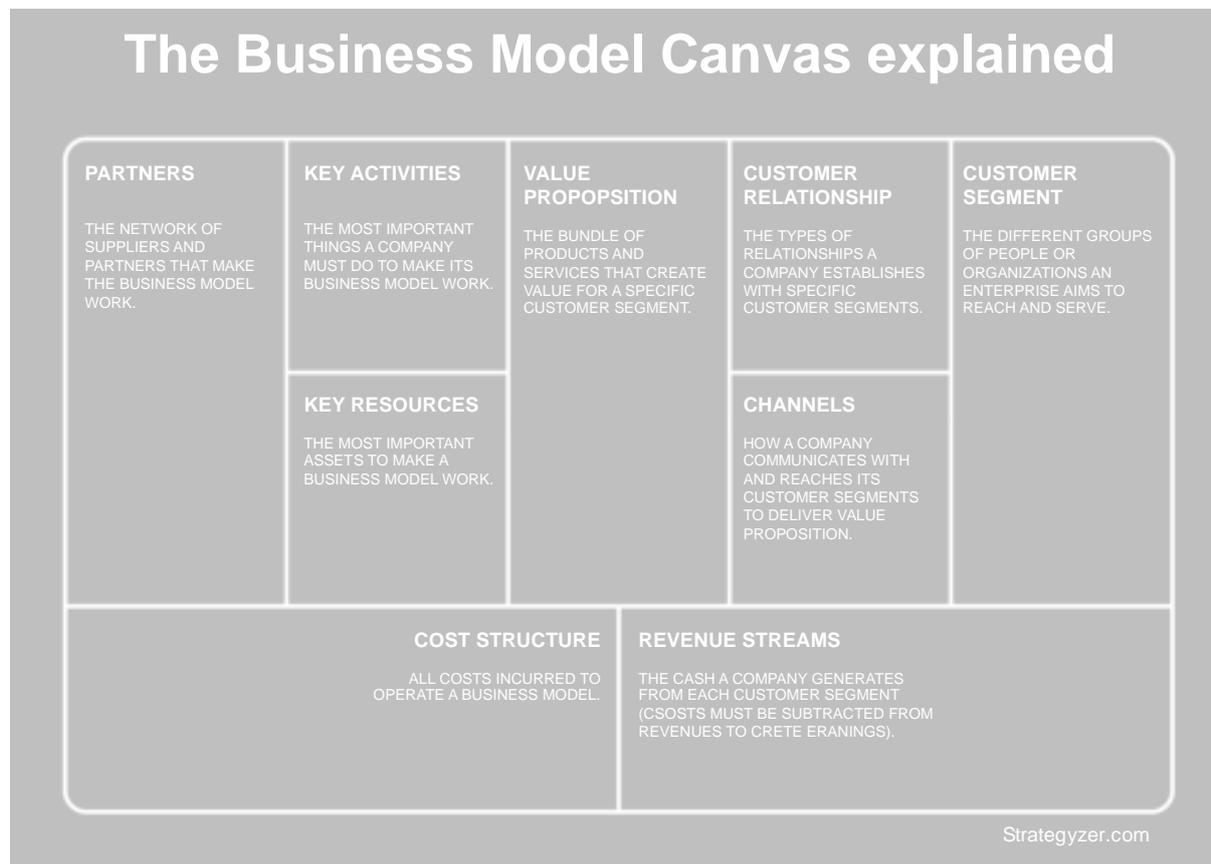


Figure 1: The Business Model Canvas explained (Osterwalder and Pigneur, 2010)

The Business Model Canvas has nine building blocks:

1. **Customer Segments (CS):** the different groups of people or organizations an enterprise aims to reach and serve.
2. **Value propositions (VP):** the bundle of products and services that create value for a specific Customer Segment.



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3. **Channels (CH):** how a company communicates with and reaches its Customer Segments to deliver a Value Proposition.
4. **Customer Relationships (CR):** the types of relationships a company establishes with specific Customer Segments.
5. **Revenue Streams (RS):** the cash a company generates from each customer segment (costs must be subtracted from revenues to create earnings).
6. **Key Resources (KR):** the most important assets to make a business model work.
7. **Key Activities (KA):** the most important things a company must do to make its business model work.
8. **Key Partners (KP):** the network of suppliers, and partners that make the business model work.
9. **Cost Structure (CS):** all costs incurred to operate a business model.

Using the Business Model Canvas

The Business Model Canvas is used to create a common language to systematically understand and innovate business models. Basically, the Business Model Canvas serves as a strategic questioning tool. The questions listed in Figure 2 facilitate better understanding, deeper insights, and more creativity when working on business models. In the Maribe project we use the Business Model Canvas as a strategic questioning tool to deepen the understanding of how value is created, delivered, and captured by companies in the Blue Economy.

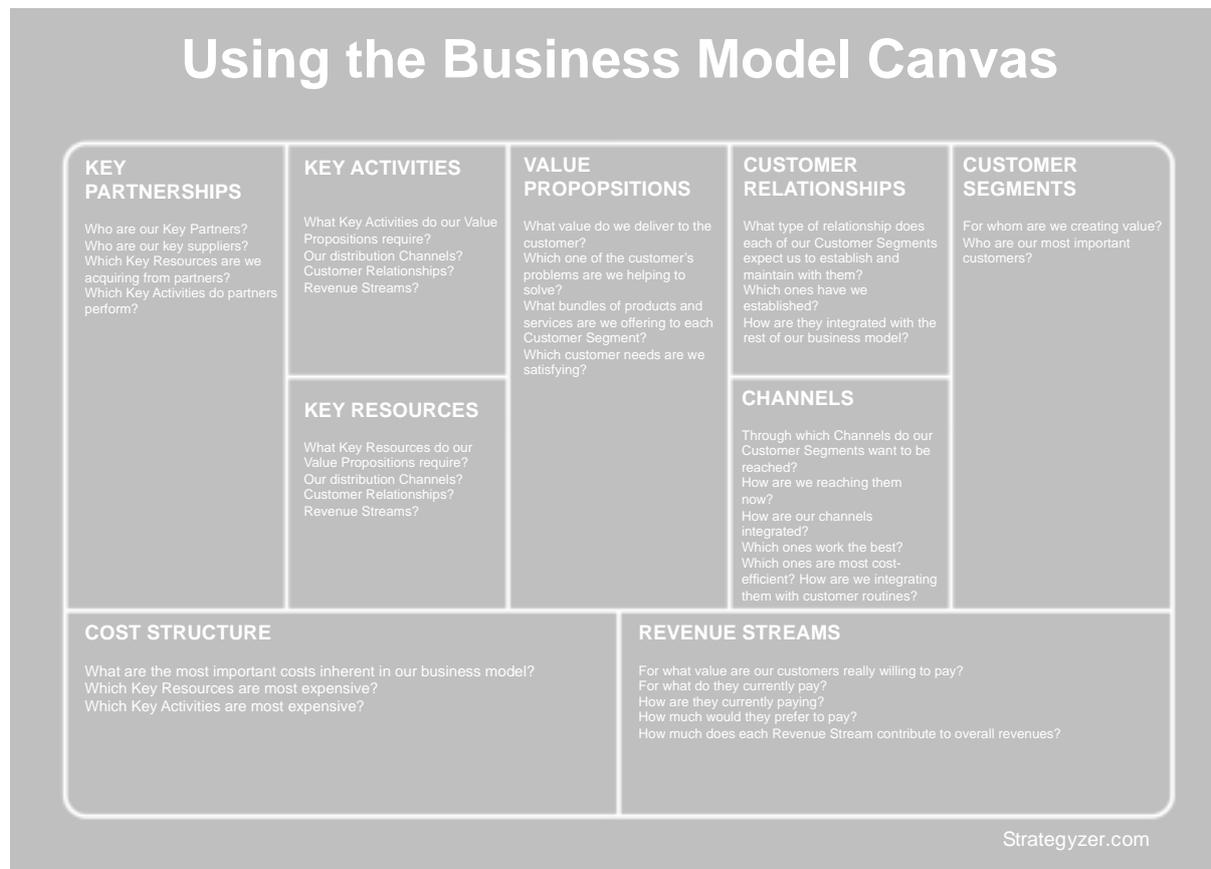


Figure 2: Using the Business Model Canvas a strategic questioning tool



References

Osterwalder, Alexander and Pigneur, Yves (2010) *Business Model Generation*. John Wiley and Sons. August 2010. Produced by Patrick van der Pijl, CEO Business Models Inc..



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