



D4.5 Sustainable business model for the leather centers: Methodology and templates

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INNOLEA: Innovation for the Leather Industry in Jordan and Egypt

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Revision History

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1.0	07/12/19	CIAPE	Creation of the document	C	7

(*) Action: C = Creation, I = Insert, U = Update, R = Replace, D = Delete

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DELIVERABLE D4.5

Built on Canvas business model, CIAPE, Al-Balqa Applied University, and Arab Academy for Science Technology and Maritime Transport will create a sustainable business model for leather centres. The graphic representation will be accompanied by a descriptive text and will be available in an electronic format. It will be disseminated to relevant stakeholders. The business model elaborated will be further presented through its inclusion/mentioning in the guidelines (cfr. application form)

METHODOGY AND DEADLINES

Task n.1: Methodology and templates, December 2019

CIAPE will prepare and share the document “Methodology and templates”, which serves as a guide to support the four universities to create the sustainable business model.

Task n. 2: Creation of the sustainable business model for the 4 leather centres, May 2020

The 4 universities in Egypt and Jordan will be responsible to create the sustainable business model for their own centre. **The graphic representation (1page) will be accompanied by a descriptive text (of around 3 pages) and will be available in an electronic format.**

Partners are requested to submit the document to CIAPE. CIAPE will support and revise the final business models.

Task n. 3: Dissemination of the sustainable business models created, October 2020

The business models created will be disseminated to relevant stakeholders and will be further presented through its inclusion/mentioning in the guidelines.

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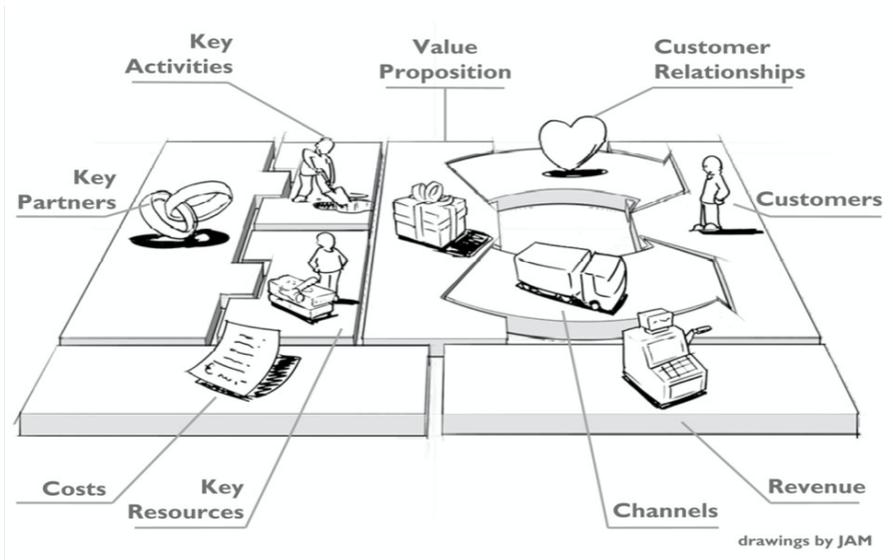
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CANVAS BUSINESS MODEL

Presentation

Canvas business model was created by Alex Osterwalder and Yves Pigneur. It is a strategic management and entrepreneurial tool. It allows you to describe, design, challenge, invent, and pilot your business model. It has a graphical representation which is represented by 9 blocks-elements describing a firm or product/service's value proposition, infrastructure, customers and finances. To fill in all blocks, some questions are provided. Learn more at the following link: <https://www.youtube.com/watch?v=QoAOzMTLP5s>

Template



Example

The following Canvas business model is related to a co-working space. It serves as an example to support the universities in developing the sustainable business model for the 4 leather centres.

Key Partners Internet service provider Landlord Investors/ bankers Influencers	Key Activities Introduction and facilitation Community building Internet connectivity Physical Space Presentation Key Resources Human- facilitator/ community builder Financial- start-up capital	Value Propositions Professional environment Network Increased productivity Life/ work balance Flexibility Cost efficiency Get to be a part of something bigger	Customer Relationships Get-Keep-Grow Events and networking Social and earned media Community building Channels Website Social Events PR Email	Customer Segments Freelance professionals Teleworkers Entrepreneurs
Cost Structure Rent/ Utilities/ Personnel/ Maintenance Personnel/ Marketing		Revenue Streams Co-working plans Events/ room rental		

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Description

Task n.1: Value proposition

The value proposition represents the core of the business model. It can be defined as the factor that differentiate your product/service/idea from its competitors.

It is the first thing to decide when creating the business model; all other blocks depend on the value proposition chosen.

The value proposition permits to understand the scalability of a business.

Task n.2: Customer relationships and customers

These two blocks should describe:

- the target customers;
- the relationship between the company and the costumers.

Task n.3: Channels

The term “channels” refers to three different facets of making connections:

- Communication: channels you use to communicate with your potential customers;
- Sales: where buyers and sellers agree on the transaction;
- Logistics: channels you use to physically deliver your product solution to the customer

Task n. 4: Key resources, key partners, key activities

These three blocks should describe:

- Resources: anything within your control that can be leveraged to create and market your value proposition;
- Partners: partners, which may help you to achieve your target group and the planned market share;
- Activities: key processes that are required to weave together your resources with those offered by your partners to deliver the value proposition, manage channels and relationships, and generate revenues.

Task n. 5: Revenues and costs

These three blocks should describe:

Revenues:

- operating revenue;
- non-operating revenue.

Costs:

- Manufacturing costs vs Non-Manufacturing costs;
- Direct costs vs Indirect costs;
- Variable costs vs Fixed costs.

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STRUCTURING THE CANVAS BUSINESS MODEL

The creation of a business model is not always an easy and linear process; several actions have to be performed and most of the times integrations and changes are necessary.

The first steps to create a business model are:

- Definition/investigation of customers;
- Definition of the value proposition

Customers

The first step in this process is “Learning” about the customer:

- Observation
- Interview
- Field research

Value proposition

Value proposition is extremely important for our business to be successful. To define the value proposition, it is important to:

- understand the different customers segments;
- choose the right communication channels.

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