2nd step: Turning a business idea into a clear action plan
Business Model Canvas

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STEP 2: Business Model Canvas

Business plans VS business model

Business model	Business plan
GET OUTSIDE and talk to customers	STAY INSIDE and do library research
FOCUS ON INPUT received in validation	FOCUS ON OUTPUT to create presentation
START LEAN and build a prototype	SPEND BIG to optimize the product
CHANGE INITIAL ASSUMPTIONS to fulfil customer needs	FORTIFY INITIAL ASSUMPTIONS with confirmed data

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Business plans VS business model

Business model	Business plan
How a business creates, diversifies & captures **value**	What the **goals** of a business are & how they will be **achieved**
DESTINATION	**MAP OR GPS**
CREATIVE THINKING for IDEATION	ANALYTICAL THINKING for EXECUTION

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Business plans VS business model

Business model	Business plan

Both **business plan** & **business model** are **needed**

Both need to be **alive** (not **static**)

Both need **contact with customers** and testing of **assumptions**

Business Model Canvas

Business model canvas

- BMC is a **visual representation of a business model**, highlighting all key strategic factors.
- Enables companies **to visualize and analyse their strategy** (**changes in the market, new streams or expansions**)
- **9 separate categories** 4 major aspects of a business: **customers, offer, infrastructure and financial viability**.

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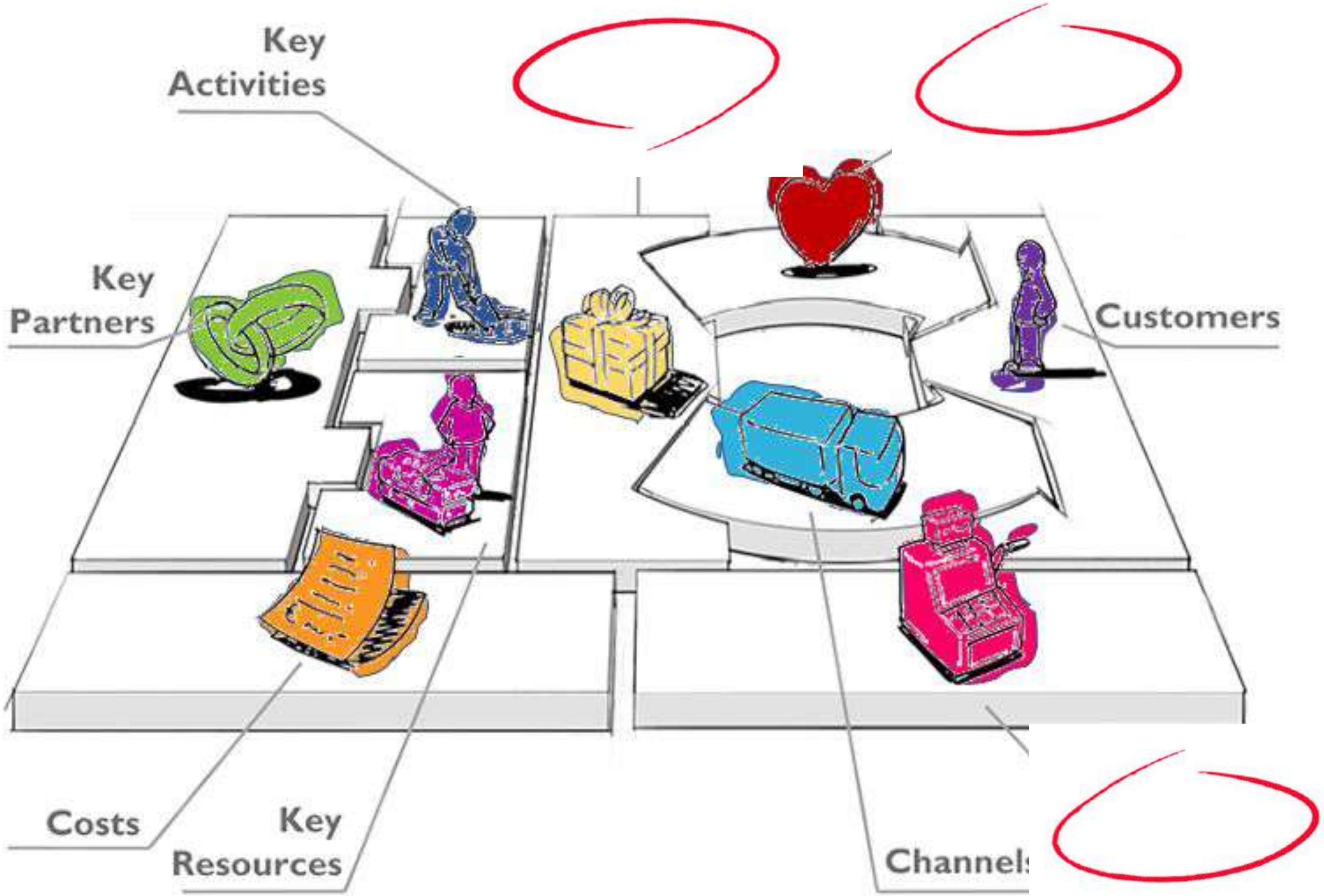
Elements of a business model canvas



Elements of a business model canvas

KEY PARTNERS

the entities/individuals involved in activities

KEY ACTIVITIES

the actions required for being profitable

KEY RESOURCES

the assets in demand to keep the business running

VALUE PROPOSITION

the practical relevance for customers

CUSTOMER RELATIONSHIPS

the type of interrelation to maintain with your target customers

CHANNELS

communication channels with clients

CUSTOMER SEGMENTS

target users/buyers of your product/service

COST STRUCTURE

all the expenses including payroll, rent, etc.

REVENUE STREAMS

the income-generating model, e.g., subscription plans, direct sales, etc.

Key partners

- **identify the key partners you need** to conduct your business
- **network of suppliers and partners** who complement each other in helping the company create its value proposition
- Partnerships can be categorized as follows: **strategic alliance, joint ventures and other business relationships**

- Who would you like to have as your **partners, suppliers**, or **collaborators** on your business idea?
- What do **we bring** to them?
- What do they **bring us**?
- What is their **relation to our business**?
- Who are our most important **partners**?
- Who **influences our customers** (opinion leaders, stakeholders, users)?

Key partners

ASK YOURSELF	IN ORGANIC SEED
1 Who would you like as partners, suppliers, or collaborators?	Research institutions & universities — breeding, cultivar testing
2 What do we bring them? What do they bring us?	Farmer cooperatives & organic networks — seed multiplication
3 What is their relation to our business?	Certification bodies — organic compliance, quality assurance
4 Who are our most important partners?	Other seed producers — collaboration rather than competition
5 Who influences our customers (opinion leaders, stakeholders)?	EU-funded consortia (e.g. LiveSeeding) — innovation
	Agricultural advisory services & extension offices
	NGOs focused on biodiversity and organic agriculture

Key activities

- What actions or activities do your value proposition require you to make?
- The most important processes that need to occur for the business model to be effective
- Key activities will coincide with revenue streams

- How do we produce **our offerings**?
- What **competencies and key activities** do we need?
- Does our **value chain make full use** of our core competencies?

Key activities

ASK YOURSELF
1 How do we produce our offerings?
2 What competencies and key activities do we need?
3 Does our value chain make full use of core competencies?
4 Which activities coincide with our revenue streams?
5 What actions does our value proposition require?

IN ORGANIC SEED
Seed production, processing & quality testing (organic)
Variety selection & breeding for local adaptation
Maintaining organic certification & documentation
Marketing & sales — field days, webshop, fairs, contracts
Building customer and farmer relationships
Participating in R&D and innovation projects
Training and knowledge exchange with farmers

Key resources

- What **Key Resources** do our Value Propositions require?
- Our **Distribution Channels**?
- **Customer Relationships**
- **Revenue Streams?**

Every organization runs on resources:

- **Human resources -** providing personalized value or having a model that requires a lot of staff, the cost and training of employees need to be considered.
- **Financial -** how much investment is required to run and maintain a business before it makes a profit?
- **Physical -** expanding presence, opening offices or buying physical space is also an asset that needs to be considered. For a lot of businesses, the push into a digital landscape is quickly reducing the strain of this particular resource.
- **Intellectual property**

Key resources

ASK YOURSELF
1 What key resources do our value propositions require?
2 What resources do our distribution channels need?
3 What resources do our customer relationships need?
4 What resources do our revenue streams require?

IN ORGANIC SEED
Qualified breeders and agronomists with organic expertise
Seed processing and drying equipment
Certified organic land and storage facilities
Proprietary or locally adapted varieties and breeding lines
Laboratory for germination, purity and health testing
Digital infrastructure — webshop, CRM, data systems
Financial reserves for long breeding cycles (3-10 years)

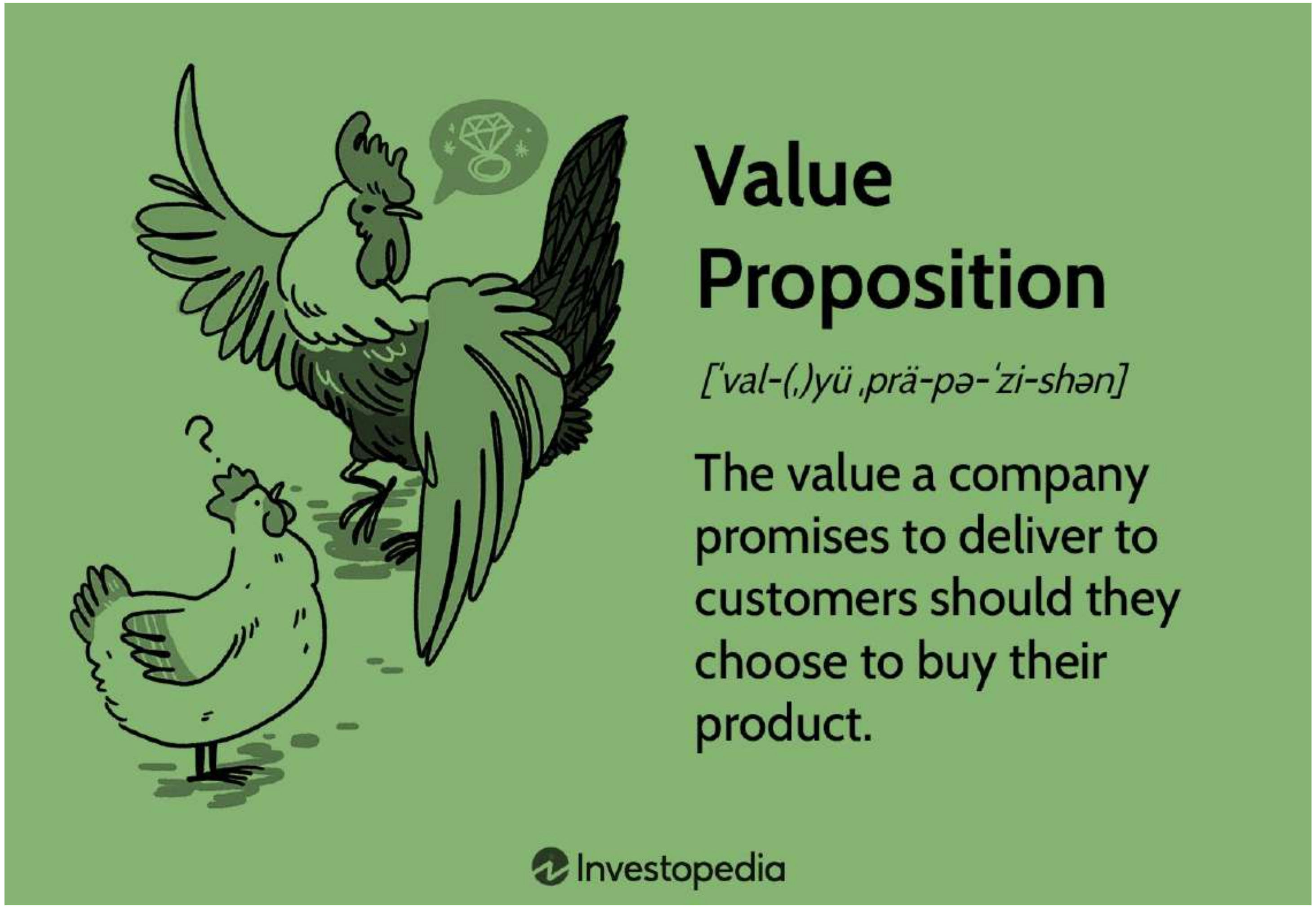
Value proposition

Value proposition is the sum of its various products and services

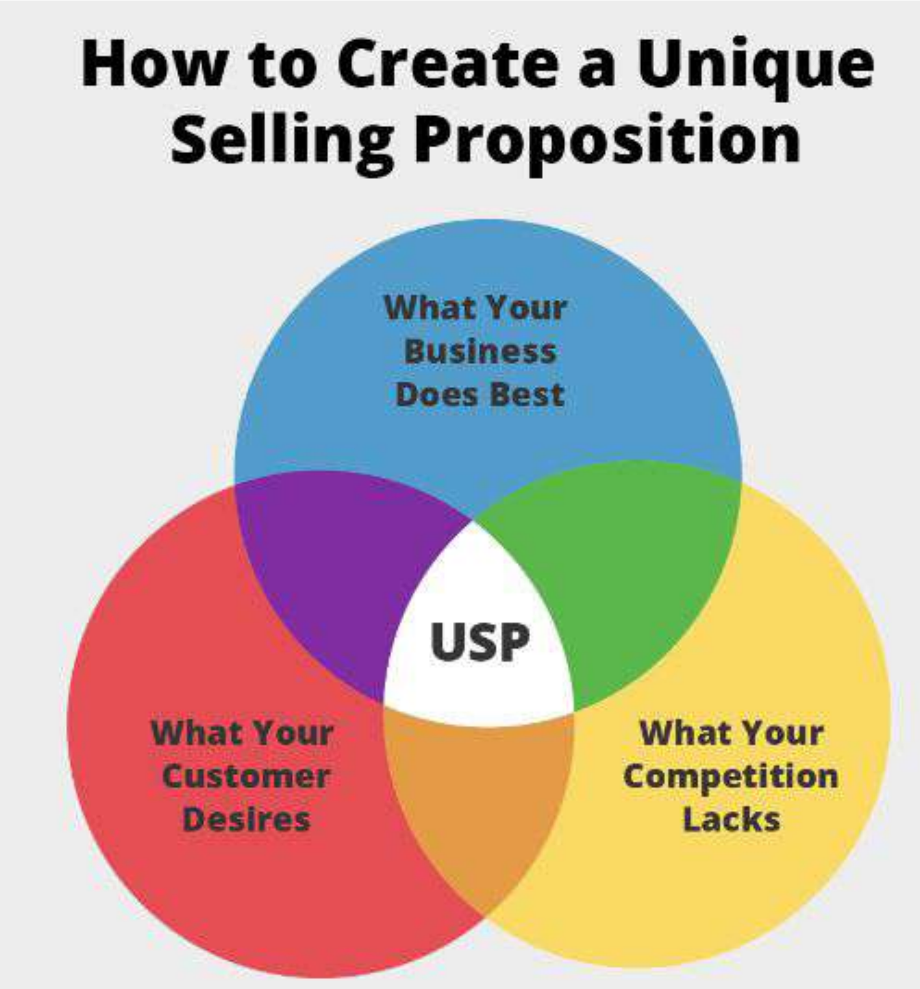
□ **what is the unique factor that makes this business better than another?**

Division of value proposition

- **Quantitative** - refers to benefits that can be easily counted (e.g. price, speed).
- **Qualitative** - refers to abstract concepts such as value or experience.



Value proposition



- What **value do we deliver** to the customer?
- Which one of our **customer's problems** are we helping to solve?
- What **bundles of products and services** are we offering to each Customer Segment?
- Which **customer needs** are we satisfying?

CHARACTERISTICS

newness, performance, customization, design, brand/status, price, cost reduction, risk reduction, accessibility, convenience/usability

Value proposition

ASK YOURSELF	IN ORGANIC SEED
1 What value do we deliver to the customer?	100% organic, traceable seed with high germination rates
2 Which customer problems are we helping to solve?	Locally adapted varieties bred under organic conditions
3 What bundles of products and services do we offer?	Rare heirloom varieties unavailable elsewhere
4 Which customer needs are we satisfying?	Professional agronomic support included with purchase
5 Is our USP quantitative (price, yield) or qualitative (trust)?	Transparent, verifiable production process
	Commitment to biodiversity and open-pollinated varieties
	Compliance certainty — certified organic, audit-ready

Customer relationship

Relationship with each customer!

Factors to consider:

- **Personal Assistance -** customer service, personal approach
- **Automation and Self-Service**
- **Communities** - business model should bring people of shared interests together, to facilitate more actions
- **Co-creation** - customer has a direct hand in the form the company's product or service will take

- What **type of relationship** does each of our Customer Segments expect us to establish and maintain with them?
- Which ones **have we established**?
- How are they **integrated** with the rest of our business model?
- How **costly** are they?

Customer relationship

ASK YOURSELF	IN ORGANIC SEED
1 What type of relationship does each segment expect?	Personal advisory — agronomic support and variety guidance
2 Which relationships have we already established?	Farm visits and on-site consultations for key accounts
3 How are they integrated with the rest of our business model?	Participatory variety trials — co-creation with farmers
4 How costly are they?	Community building — newsletters, social media, seed networks
5 How do we build trust and loyalty over time?	Training workshops and educational field days
	Seed subscription models for recurring relationships
	After-sales support — germination guarantees, technical help

Channels

- The medium through which an organization provides its value proposition to its customer segment

2 basic channels:

1. **Company-owned channels** such as storefronts

2. **Partner Channels** such as Distributors

Evaluate the strength of the channel by conducting a SWOT analysis of the channel

- Through **which Channels** do our Customer Segments want to be reached?
- How are we reaching them now?
- How are our Channels **integrated**? Which ones **work best**? Which ones are **most cost-efficient**?
- How do we **raise awareness** about our company's products and services?
- How do we **allow customers** to purchase specific products and services?
- How do **we deliver** a Value Proposition to customers?

Channels

ASK YOURSELF
1 Through which channels do our segments want to be reached?
2 How are we reaching them now?
3 How are our channels integrated? Which work best?
4 How do we raise awareness about our products?
5 How do we deliver our value proposition to customers?

IN ORGANIC SEED
Webshop — direct online sales, international reach
Field days and open farm visits — trust-building, demo plots
Organic fairs and trade events — B2B networking
Direct supply contracts with farmer cooperatives
Social media and newsletters — community engagement
Seed catalogues and printed materials — traditional reach
Partner channels — garden centres, distributors, retail

Customer Segments

Company must:

- know its customers, both through their current and future needs
- list its customers in terms of priority, including a list of potential future customers
- do a thorough assessment of its customers by understanding their strengths and weaknesses and exploring other kinds of customers who may benefit the company more if they are to focus on them

1. **Mass Market**: An organization opting for this type of customer segment gives itself a wide pool of potential customers because it feels that its product is a relevant need amongst the general population. A potential product for such an organization could be „flour".
2. **Niche Market**: This customer segment is based on highly specific needs and unique traits of its clients. An example of an organization with a niche customer segment is „Louis Vutton"
3. **Segmented**: Organizations adopting the segmented approach create further segmentation in their main customer segment based on slight variations in the customer's demographics and consequently, their needs.
4. **Diversify**: An organization is flexible in the iterations of its product or service tweaking it to suit the needs of segments with dissimilar needs or traits.
5. **Multi-Sided Platform/ Market**: This kind of segment serves customers who have a relationship with each other, i.e. blogging sites need a large group of active bloggers to attract advertisers. And they need advertisers to create cash flow.

Customer Segments

DEMOGRAPHIC SEGMENTATION
- Gender
- Age
- Occupation
- Household income
- Marital status

GEOGRAPHIC SEGMENTATION
- Location
- Preferred language
- Transportation

PSYCHOGRAPHIC SEGMENTATION
- Values
- Interests
- Personality

TECHNOGRAPHIC SEGMENTATION
- Device type
- Browser type
- Original source

NEEDS-BASED SEGMENTATION
- Product attributes
- Service needs

BEHAVIORAL SEGMENTATION
- Lifecycle stage
- Website activity
- Last customer engagement
- Ecommerce activity

VALUE-BASED SEGMENTATION
- Customer satisfaction scores

Customer Segments

ASK YOURSELF
1 For whom are we creating value?
2 Who are our most important customers?
3 What are the customer archetypes (mass, niche, segmented)?
4 Are there segments we haven't explored yet?
5 How do current and future customer needs differ?

IN ORGANIC SEED
Professional organic farmers — certified, locally adapted seed
Hobby gardeners — rare, heritage and heirloom varieties
Agricultural schools & research stations — trial material
Processors and food industry — specific quality requirements
Garden centres and retail networks — packaged consumer seed
Public institutions — procurement for green spaces, projects
Cooperatives and farmer groups — bulk contracts

Costs

This defines the cost of running a business according to a particular model.

Businesses can either be

- **cost driven** i.e. focused on minimizing investment into the business or
- **value-driven** i.e. focused on providing maximum value to the customer.

Following are some traits of common cost structures;

1. **Fixed Costs**: costs that remain the same over a period of time
2. **Variable Costs**: costs that vary according to a variance in production
3. **Economies of Scale**: costs decrease as production increases
4. **Economies of Scope**: costs are decreased by investing in businesses related to the core product.

- The first step for an entrepreneur is to identify all costs associated with the business list all the costs on the canvas, (visually present)

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Costs

ASK YOURSELF
1 What are the most important costs in our business model?
2 Which key resources are most expensive?
3 Which key activities are most expensive?
4 Is our business more cost-driven or value-driven?
5 Are we tracking fixed vs. variable costs separately?

IN ORGANIC SEED
CAPEX: seed processing equipment, storage, land, vehicles
OPEX: seasonal labour — typically the highest recurring cost
OPEX: organic certification and inspection fees (annual)
OPEX: laboratory testing — germination, purity, seed health
OPEX: packaging, insurance, fuel, transport
OPEX: variety registration / OHM notification (2 - 4 years cycles)
OPEX: marketing, webshop maintenance, digital tools

Revenues

When setting up revenue streams, it is important to recognize that an **effective price** for the product and/or service will be arrived at through the process of elimination.

- What are the **revenue streams** of our company?
- Why does it generate **profit**?
- What a customer is **willing to pay** for?

A revenue stream can be created through the following ways:

1. **Asset Sale**: the company sells the right of ownership over the good to the customer.
2. **Usage Fee**: the company charges the customer for the use of its product or service.
3. **Subscription Fee**: the company charges the customer for the regular and consistent use of its product or service.
4. **Lending/ Leasing/ Renting**: the customer pays to get exclusive access to the product for a time-bound period.
5. **Licensing**: the company charges for the use of its intellectual property.
6. **Brokerage Fees**: companies or individuals that act as an intermediary between two parties charge a brokerage fee for their services.
7. **Advertising**: a company charges for others to advertise their products using their mediums.

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Revenues

ASK YOURSELF
1. What are the revenue streams of our company?
2. For what value are our customers willing to pay?
3. How are they currently paying? How would they prefer to pay?
4. How much does each revenue stream contribute to overall revenue?
5. What pricing model fits best (fixed, volume, subscription)?

IN ORGANIC SEED
Domestic and international seed sales (primary income)
R&D project participation and breeding programme fees
Certification and quality testing fees for third parties
Educational workshops, training and consulting services
Hosting open field days and demonstration events
Licensing or royalties from organic seed varieties
Subscriptions, data analytics and advisory services

Vegetable landrace example

PROBLEM

- Dominance of industrial seed systems offering low-cost hybrid seeds produced through global supply chains.
- Higher production costs for locally produced organic seeds due to small-scale production and labour-intensive cultivation.
- Limited consumer awareness of the value of traditional crop varieties and agricultural biodiversity.
- Regulatory complexity related to seed registration, certification, packaging, and phytosanitary documentation.
- Administrative burden that disproportionately affects small seed producers.
- Declining knowledge of seed-saving and traditional breeding practices.
- Limited availability of agricultural labour for manual seed production.

SOLUTION

- Development of decentralized seed production networks involving small farmers.
- Conservation of traditional crop varieties through regional seed banks.
- Integration of seed production into diversified agroecological farming systems.
- Field monitoring and internal quality control to maintain seed purity and germination rates.
- Training programs and workshops to transfer seed-saving knowledge.
- Short supply chains that prioritize local and regional markets.

UNIQUE VALUE PROPOSITION

- Locally produced seeds adapted to regional agroecological conditions.
- Preservation and commercialization of traditional crop varieties absent from industrial catalogues.
- Transparent and traceable seed production systems.
- Contribution to agricultural biodiversity conservation.
- Strengthening of regional food systems and seed autonomy.
- Promotion of agroecological and sustainable agricultural practices.

ADVANTAGE

- Long-term expertise in seed production and variety selection.
- Access to extensive seed banks containing diverse local varieties.
- Strong collaboration with networks of small farmers.
- Deep integration within regional agricultural communities.
- Combination of commercial seed production with educational activities.
- Ability to supply niche markets interested in biodiversity and traditional crops.

CUSTOMER SEGMENTS

- Home gardeners interested in local vegetable varieties.
- Small-scale farmers practicing agroecological agriculture.
- Community gardens and local food initiatives.
- Educational institutions and training organizations.
- Biodiversity conservation organizations.

CURRENT SOLUTIONS

- Industrial hybrid seeds produced by multinational seed corporations.
- Imported commercial seeds optimized for industrial agriculture.
- Farmer-saved seeds without formal quality control.
- Commercial seed catalogues focused on standardized high-yield varieties.

KEY METRICS

- Number of crop varieties maintained in seed banks.
- Number of varieties distributed annually.
- Area dedicated to seed production.
- Annual revenue from seed sales.
- Number of customers served annually.

CHANNELS

- Direct online sales and seed catalogues.
- Local agricultural markets.
- Educational workshops and training events.
- Partnerships with farmer networks and seed-saving organizations.
- Social media and community-based communication.
- Word-of-mouth recommendations within agricultural communities.

EARLY ADOPTERS

- Small-scale agroecological farmers.
- Home gardeners interested in traditional vegetable varieties.
- Community-supported agriculture initiatives.
- Seed-saving organizations and biodiversity groups.
- Consumers engaged in local food movements.

COST STRUCTURE

- Payments to farmers producing seeds.
- Seasonal agricultural labour.
- Seed cleaning, processing, and packaging
- Salaries of core staff.
- Machinery maintenance and equipment depreciation.
- Facility rental and infrastructure costs.
- Strong price competition from industrial seed companies.
- Limited economies of scale.

REVENUE STRUCTURE

- Sale of vegetable seeds to gardeners and farmers.
- Online seed catalogues and direct sales platforms.
- Educational workshops and training sessions.
- Institutional purchases by schools, municipalities, or community projects.
- Knowledge transfer and consulting activities related to seed conservation.

Key takeaways

Business Model Canvas for organic seed

Problem
Lack of locally adapted organic seed, complex regulations

Solution
Collaboration with research institutes, engaging farmers

Value proposition
100% organic, traceable, locally adapted cultivars

Advantage
Regional expertise, farmer relationships, trust

Customers
Organic farmers, gardeners, processors, institutions

Channels
Field days, webshop, organic fairs, direct contracts

Costs
Breeding, machinery, storage, certification, labour

Revenue
Seed sales, training, subsidies, advisory, royalties

Key takeaways

Structural challenges — regulatory barriers, unstable demand, high certification costs, and fragmented value chains require careful planning and supply chain coordination.

Fully organic, traceable, locally adapted seeds are a strong market advantage. Transparency and reliable certification build trust and reduce compliance risks.

Organised networks and partnerships with cooperatives, advisors, and research institutions improve efficiency, secure supply, and drive innovation.

Defining **customer segments** and using **suitable sales channels** — farmer networks, fairs, trials, digital platforms — increases market reach and sales.

Tracking **operational and strategic indicators** — seed output, discard rates, prices, cost efficiency — supports better decisions and long-term growth.

Financial sustainability through realistic cost planning and **diversified income** — seed sales, contracts, farmer contributions — strengthens resilience and enables scaling.

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