

Business Model Canvas (2-5 class periods)

Text: 10 readings with questions as attached	
Standards: Main idea and details in nonfiction text (CCSS.RI.1, FL BEST R.3.2, TEKS Strand 2.G, VA SOL.6)	
Objectives:	Materials:
<ul style="list-style-type: none"> • Read and explore a nonfiction text. • Summarize and apply key points of a nonfiction text. 	Paper
Assessments of Learning:	
<ul style="list-style-type: none"> • Monitoring student behavior or asking brief questions during group work provides informal assessment throughout the lesson. • Class discussion responses and reflection questions provide more informal assessment opportunities. • Business model canvas pieces can be used as a formative assessment. 	

Lesson Procedures

Introduction: (5 minutes)	<p>Hook: A business needs a careful plan to be successful. Entrepreneurs start businesses. They understand their customers and how the business will meet customers' needs. What are some customer needs an entrepreneur may need to plan for? (e.g., having fun, eating delicious foods, designing new technology).</p> <p>Allow a partner discussion. Then, introduce the main topic with the whole class: the business model canvas.</p>
Reading Practice: (15-20 minutes)	<p>Group Reading: Allow students to choose a text about one part of the business model canvas. Students who chose the same text will work together in small groups (2-4) to read the text. They may annotate while reading to underline important details.</p> <p>Group Discussion: After reading, groups discuss the reading for comprehension and answer the question set.</p> <p>Summary-Writing: Students should write a summary of their reading that explains their part of the business model canvas. The summary should take only 1-2 minutes to read out loud, and should answer these questions:</p>

	<ol style="list-style-type: none"> 1. What is the purpose of this piece in the canvas? 2. Does an entrepreneur need any other information to plan this piece in the canvas?
Business Plan: (25-30 minutes)	<p>Class Discussion: Each group of students will present their summary explanation to the class. Every student should understand the 9 pieces of the business model canvas. As a class, brainstorm a class business idea (e.g., a food vendor at school sporting events, haircutter/stylist, sports tutor to train new athletic skills).</p> <p>Class Business Plan: Students will work in their groups to complete one piece of the business model canvas, based on their reading and the class business idea. Then, they present the piece of their plan to the class and add it to the shared business model canvas.</p> <p>Complete Canvas: Once each group has presented, the class should have a complete business model canvas. If any pieces need additions or edits, the class can discuss.</p> <p>Class Discussion Questions:</p> <ol style="list-style-type: none"> 1. What was hardest about planning your piece? 2. Would this business model canvas help our class start this business in real life?
Closing: (5 minutes)	<p>Reflection Questions:</p> <ol style="list-style-type: none"> 1. Why is a complete business plan important for a new business owner? 2. How can the business model canvas help entrepreneurs?

Educator Note!

It may be helpful to assign students to groups, rather than allowing them free choice when reading the texts.

Accommodations & Modifications:

- Read sections individually, then complete each section as a whole class

Extensions:

- Write a one-page explanation of the group business model canvas plan.
- Research a business of your choice, then write a new business model canvas that is in a similar type of business.
- Complete a business canvas and a 30-second commercial advertising it.

The Business Model Canvas

This infographic is called the Business Model Canvas. We will learn about each part soon. The pieces that touch each other have information to help make decisions. For example, key business partners can help entrepreneurs choose key activities to make the business successful. We will learn all about this!



1. How many sections are in this infographic? _____

2. Why do you think Key Partners and Key Activities are near each other?

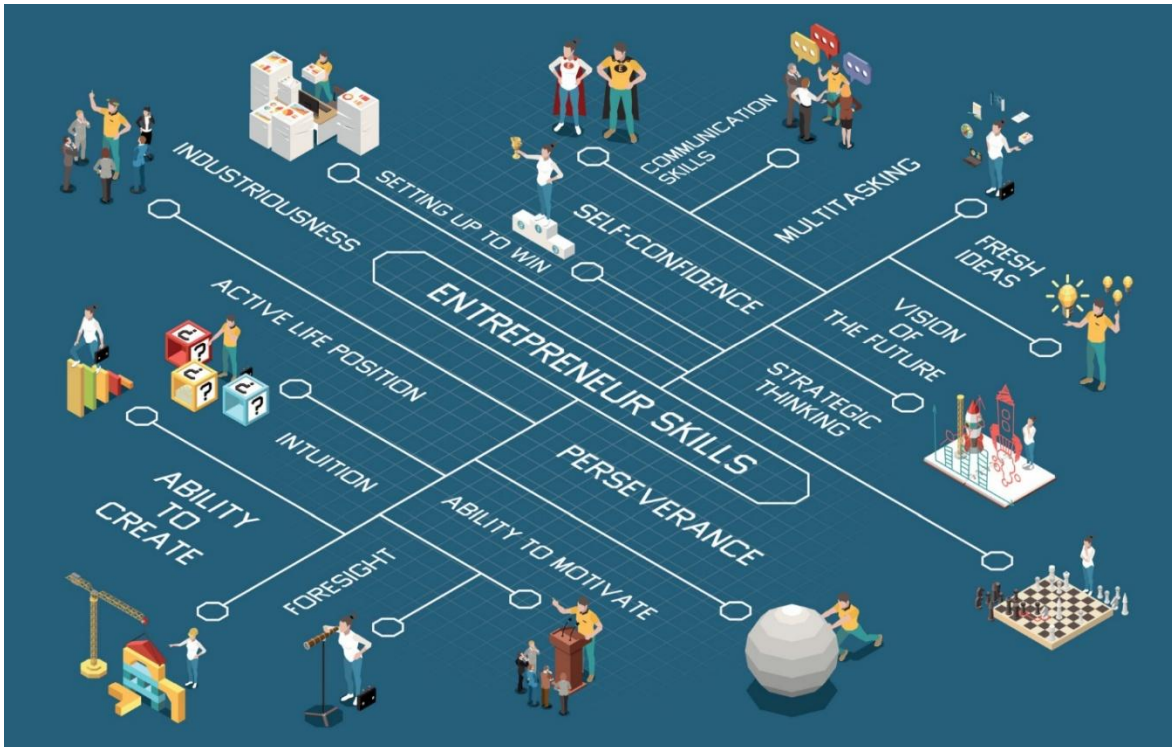
3. What is in the center of this model? _____

4. Which terms in this infographic do you not know? (Circle each one.)

- | | | |
|--------------------|------------------------|-----------------|
| Key Partners | Key Activities | Key Resources |
| Value Propositions | Customer Relationships | Channels |
| Customer Segments | Cost Structure | Revenue Streams |

The Business Model Canvas: Purpose and Organization

The Business Model Canvas is a tool that helps people plan a business. This planner organizes the plan to understand how the business works. It shows the key parts of a business in one simple chart. This makes it easy to see how different pieces fit together. Entrepreneurs, managers, and teams use this model to organize their thoughts and share ideas. The canvas helps business owners find problems, improve ideas, and prepare for success.



The Business Model Canvas has nine sections that cover important parts of a business. These sections are: Customer Segments, Value Propositions, Channels, Customer Relationships, Revenue Streams, Key Resources, Key Activities, Key Partnerships, and Cost Structure. Each section helps explain how a business creates, delivers, and earns money from products or services. Businesses get a full picture of their plan by filling in each part.

The first four sections focus on customers and how the business connects with them. Customer Segments describe different groups of people who buy the product. Value Propositions explain what makes the business special. Channels describe how the product reaches customers. Customer Relationships describe how the business creates a relationship with buyers. These sections help the business focus on what customers need and how to provide for those needs.

The next five sections focus on how the business operates and makes money. Revenue Streams are how the business earns money. Key Resources list the important things the business needs to work. Key Activities explain what the company must do to succeed. Key Partnerships describe outside groups that help the business. Cost Structure describes what determines the company's costs. These sections help businesses understand their costs and profits.

The Business Model Canvas is a useful tool for planning and improving businesses. It helps people see all the important parts of their company in one place. By organizing these parts clearly, businesses can find problems and create stronger plans. This tool can help with starting a new business or improving an existing one. The Business Model Canvas makes planning easy and effective.

- 1.** What is the Business Model Canvas?
 - a. a book
 - b. a chart
 - c. an idea
 - d. a presentation
- 2.** What do the first four sections of the Business Model Canvas help with?
 - a. understanding customers
 - b. coming up with new business ideas
 - c. earning the most money with the least cost
 - d. deciding who should work with the business
- 3.** List **3** parts of the Business Canvas Model that focus on how a business works.

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- 4.** Can a Business Canvas Model be helpful after a business has already started?
 - a. No, it only describes plans for a new business.
 - b. No, it only shows the first steps to making a business.
 - c. Yes, it can help improve a business by finding new ideas.
 - d. Yes, it can explain why a business started with a successful plan.
 - 5.** Why is a Business Canvas Model a good tool for planning a company?

Customer Segments in the Business Model Canvas

Customer Segments is a section in the Business Model Canvas. This part describes the different groups of people or businesses a company serves. These groups buy things. They have specific needs and interests. Different customer segments may behave differently. A company should always understand its different customers to create products or services they will buy.



Different customers may want different experiences and products from a business. For example, a toy company may have two main customer segments: children who play with the toys and parents who buy them. Children will want the most fun possible, but parents will want an affordable toy that does not break easily. Or, a software company may serve both individual users and large businesses. A clothing brand might sell directly to customers through a website and also through retail stores. Understanding one or more groups of customers helps the business plan to meet consumers' needs.

A business must offer something useful and appealing to its customers. Different segments may need different products or services. For example, a coffee shop may serve busy workers who want quick service and also serve students who want a quiet place to study. Understanding its customer segments helps the business design products, services, and experiences that meet their needs. In the next section we will see that Customer Segments connects closely to the Value Propositions section.

Customer Relationships is another section linked to Customer Segments. Businesses decide how to interact with each customer group. Some companies offer personal support, but others use automated support. A bank, for example, may give in-person help for older customers but offer mobile apps for younger users. The needs and expectations of each segment can change the way a business manages customer relationships.

The Customer Segments section is important because it helps businesses focus on who they serve. By understanding their different customer groups, companies can create better products, choose the right ways to reach them, and build strong relationships. A well-defined Customer Segments section leads to better decisions and business success.

- 1.** What is a customer segment?
 - a. a plan to support all customers
 - b. a solution to not having enough customers
 - c. people or organizations who are customers at a business
 - d. a strategy for selling the most products or services to customers
 - 2.** Why does the second paragraph mention a toy company?
 - a. to describe a successful real-world business plan
 - b. to compare a good customer segment with a bad one
 - c. to explain why certain types of products sell more than others
 - d. to give an example of a business with two different types of customers
 - 3.** How does understanding different customer segments improve businesses?
 - a. Only one customer segment will be valuable to a business.
 - b. Different customer segments may need different treatment.
 - c. New customer segments may remove old value propositions.
 - d. Certain customer segments like to spend money on new products.
 - 4.** The word "segment" means piece. How does this definition relate to the meaning of "customer segment"?
 - a. A Business Model Canvas has nine different pieces.
 - b. A customer segment is one piece of a company's customers.
 - c. A piece of a customer segment can help a business succeed.
 - d. A new business needs to explain every piece of the plan before they get any customers.
 - 5.** How does a bank show an example of customer segments that change customer relationships? Explain.
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Value Propositions in the Business Model Canvas

The Value Propositions section of the Business Model Canvas explains why customers choose a product or service. It describes what makes a business special. Businesses need to solve problems for customers. Customers need to value this solution more than the price it costs. A strong value proposition helps a business stand out from other businesses. Business should clearly understand their value to customers. Understanding value propositions is important for building a successful business.



A value proposition is the main reason a customer buys from a company. It explains the benefits of a product or service. For example, a smartphone company might offer a value proposition of long battery life and a good camera at moderate price. Or, a smart phone company may offer moderate battery life and no camera for a low price. Each value proposition shows why the business is valuable to customers. The value propositions should show how the business is unique.

The Value Propositions section connects closely to Customer Segments. Different segments may have different value propositions. Businesses can also focus its value proposition to the needs of its customers. For example, an airline may offer low prices for budget travelers and luxury seating for travelers that want to spend a lot more money. Understanding customer needs helps a business create value for the customer and income for the company. That value helps attract new customers and keep existing customers.

This section also connects to Channels, which describes how a business delivers its value to customers. A company must choose the right way to reach people. For example, an online streaming service provides value through a mobile app. However, a bookstore delivers value in physical locations. The right channels ensure that customers get the benefits promised in the value proposition.

The Value Propositions section is a key part of the Business Model Canvas. This section explains why customers buy a product or service. It shows what value the business will offer customers. A strong value proposition meets customer needs and stands out from competitors. By connecting with Customer Segments and Channels, businesses can deliver their value effectively. Understanding and improving value propositions helps businesses succeed.

1. Which word is the best synonym for "proposition"?
 - a. idea
 - b. offer
 - c. person
 - d. question

 2. Why is a good camera in a smartphone an example of a value proposition?
 - a. It gives an example of a product that costs a lot of money.
 - b. It describes the best way to attract new customers to a business.
 - c. It shows a reason why customers may spend money for the phone.
 - d. It compares a newer and better product to older and worse products.

 3. What does the phrase, "stands out from competitors", state about a business?
 - a. It should be different from other businesses.
 - b. Only one business needs a value proposition.
 - c. Businesses can work together to offer benefits.
 - d. A good value proposition gets better over time.

 4. What could happen if an entrepreneur does not plan a value proposition?
 - a. The product may not make much money, because it will be expensive to sell.
 - b. The entrepreneur may not succeed, because they will need more resources.
 - c. The business may not get customers, because there will be no reason for customers to buy.
 - d. The customers may not like the business, because the product will meet too many different needs.

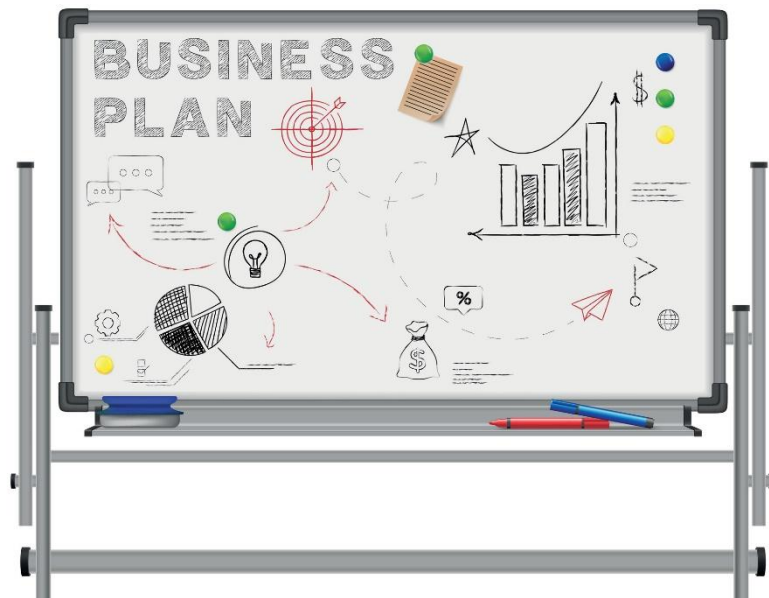
 5. How can the Customer Segments section of a business plan impact the Value Propositions section? Explain.
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Channels in the Business Model Canvas

The Channels section of the Business Model Canvas explains how a business delivers its products or services to customers. It describes the different ways a company reaches its audience and provides value. Choosing the right channels is important because it affects customer experience and sales. This section connects closely to Value Propositions and Customer Relationships. Understanding channels helps businesses reach their customers effectively.

Channels include all the ways a business connects with its customers to sell products or services. Some businesses use physical stores, while others sell online. Some use both! For example, a clothing brand might sell products through both its website and retail stores. Another example is a software company that delivers its product through an app store or by direct downloads. A business can use multiple channels to reach different customer groups.

The Channels section connects closely to Value Propositions. A business must choose channels that best deliver its promised value. For example, an expensive jewelry brand may sell only in luxury boutiques to match its premium value, while a budget-friendly brand may sell through large retail chains. The right channels help businesses keep their value promises to customers.



Channels also relate to Customer Relationships, which describe how a business interacts with customers. Some channels provide low-cost service, while others focus on high-quality customer service. For example, a local bakery may sell directly to customers in-store, creating a friendly experience, while an online food delivery service may use an app with automated support. The choice of channels affects how businesses build relationships with their customers.

The Channels section is important because it determines how customers access a product or service. A business must pick the right channels to match its value and customer needs. By connecting with Value Propositions and Customer Relationships, businesses can improve customer satisfaction and sales. Understanding and optimizing channels helps businesses succeed.

1. What does “reaches” mean in this reading?

- a. travels a long distance
- b. connects with someone else
- c. works toward achieving a goal
- d. becomes more important over time

2. Select **3** examples of business channels.

- | | | |
|----------------------------------|--------------------------------|-----------------------------------|
| <input type="checkbox"/> app | <input type="checkbox"/> brand | <input type="checkbox"/> customer |
| <input type="checkbox"/> product | <input type="checkbox"/> store | <input type="checkbox"/> website |

3. Which statement about business channels is accurate?

- a. Every business needs a building to have a channel.
- b. Websites are the best type of channel for a sales business.
- c. Some channels may not be necessary for different businesses.
- d. Planning channels is only important when planning a new business.

4. Which cause-effect statement is always true?

- a. New business channels cause changes in customer profits.
- b. New customer profits cause changes in business channels.
- c. New business channels cause changes in customer relationships.
- d. New customer relationships cause changes in business channels.

5. Janine starts a Business Model Canvas for her business selling ice cream. Describe one possible channel for Janine’s business. Use complete sentences to explain why the channel will connect her business to customers.

Customer Relationships in the Business Model Canvas

The Customer Relationships section of the Business Model Canvas explains how a business interacts with customers. It describes the different relationships a company builds to attract and keep customers. Good customer relationships can lead to loyalty and repeat business. This section connects closely to Customer Segments and Channels because it defines how the business interacts with customers. These customer relationships help businesses create better experiences for their customers.



Customer relationships can take different forms depending on the business and its goals. Some companies provide personal support, while others use computer systems. For example, a luxury hotel offers personal service with staff talking to guests so they feel special. In contrast, a streaming service like Netflix uses automated recommendations and self-service options. Customers make millions of choices each day. Businesses must choose the right type of relationship for its customers.

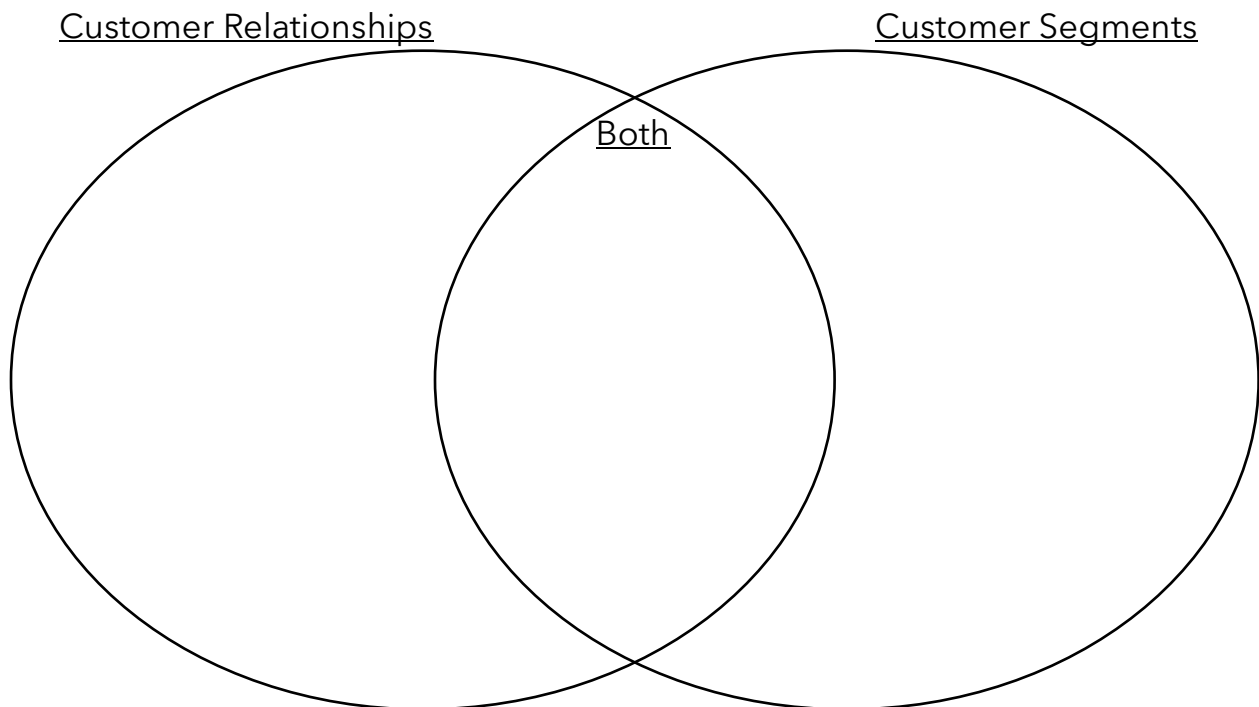
The Customer Relationships section connects closely to Customer Segments. Different customer groups expect different types of relationships. For example, high-end customers may want direct, one-on-one service, while budget-conscious customers may prefer self-service options. A business must understand a customer segments to provide the right support and interactions.

This section also links to Channels, which describe how a business reaches its customers. The way a company interacts with customers should match the channels it uses. For example, an online store might use chatbots and email support, while a physical store might have friendly staff to assist customers in person. Choosing the right channels helps businesses maintain strong relationships with customers.

The Customer Relationships section is important because it helps businesses connect with customers. These relationships should build trust and loyalty over time. A company must decide how to structure these relationships with its

customers and meet customers' needs. By linking to Customer Segments and Channels, businesses can create better experiences and long-term success. Understanding customer relationships helps businesses grow and keep their customers happy.

1. What does "interacts" mean?
 - a. convinces
 - b. introduces
 - c. moves with
 - d. works with
2. Which phrase from the text means the opposite of "high-end"?
 - a. budget-conscious
 - b. different types
 - c. personal service
 - d. strong relationships
3. What does the phrase, "attract and keep customers" mean?
 - a. stay trustworthy for all customers
 - b. explain the business benefits to customers
 - c. sell better products and advertise to new customers
 - d. get new customers and make sure other customers continue buying
4. What is a key part of building good customer relationships?
 - a. advertisement
 - b. communication
 - c. planning
 - d. products
5. Use the Venn diagram below to compare Customer Relationships and Customer Segments.

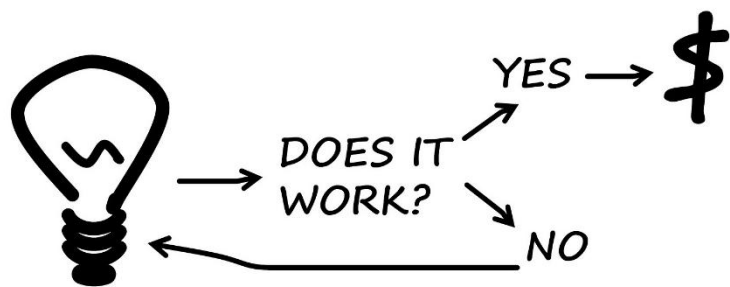


Revenue Streams in the Business Model Canvas

The Revenue Streams section of the Business Model Canvas explains the different pathways a business makes money. It describes the different ways a company earns revenue from its customers. A business must choose the right revenue streams to stay profitable and grow. This section connects closely to Customer Segments and Value Propositions. Understanding revenue streams helps businesses create strong financial plans.

Revenue streams come from the money customers pay for products or services. Businesses can earn revenue in different ways. For example, a mobile app company may use a subscription model, where customers pay a monthly fee to access premium features. Another example is a restaurant that earns money by selling individual meals to customers. A company may have one or multiple revenue streams depending on its business model.

The Revenue Streams section connects closely to Customer Segments. Different groups of customers may be willing to pay in different ways. For example, a software company may offer a free version for students but charge businesses for more advanced features. Understanding customer segments can help a business choose the best way to charge customers to maximize revenue.



Business Plan

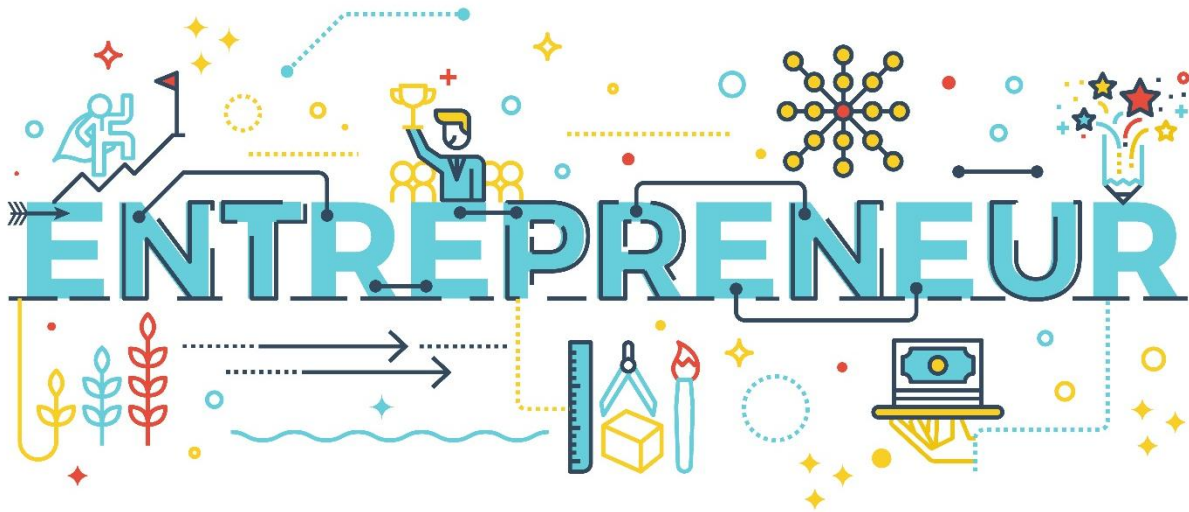


Revenue Streams also relate to Value Propositions, which describe why customers buy a product or service. A business must set prices that match the value it offers. For example, a luxury brand can charge high prices because of its premium quality, while a budget airline may earn money by offering low-cost tickets but charging extra for baggage and meals. Aligning revenue streams with value propositions ensures that customers see the worth of their purchase.

The Revenue Streams section is important because it helps businesses stay profitable and sustainable. A company must choose the best ways to earn money based on its customers and value. By connecting to Customer Segments and Value Propositions, businesses can create effective pricing strategies. Understanding revenue streams helps businesses grow and succeed.

1. Which word is a synonym for "revenue"?
 - a. customer
 - b. expense
 - c. money
 - d. feature
 2. Why is it important for a business to be "profitable"?
 - a. The business needs to make money in order to succeed.
 - b. The customer needs to be interested in order to buy a product.
 - c. The entrepreneur needs to plan carefully in order to find solutions.
 - d. The revenue needs to be small in order to maximize business costs.
 3. How do Revenue Streams relate to Value Propositions?
 - a. Revenue Streams are good Value Propositions.
 - b. Value Propositions attract customers using Revenue Streams.
 - c. Value Propositions describe how products create Revenue Streams.
 - d. Revenue Streams change how much the Value Propositions are worth.
 4. Can offering free products be a good strategy for Revenue Streams?
 - a. No, because free products cause a company to lose money.
 - b. No, because free products do not connect to customer segments.
 - c. Yes, because free products will save a company money in production.
 - d. Yes, because free products can support one customer segment while other products earn profit.
 5. Marco is starting a new art supply business. Which part of his business plan shows Revenue Streams?
 - a. the cost of each art supply
 - b. the people who he will advertise to
 - c. the customers who have already bought from him
 - d. the location or website where he will sell art supplies
 6. Why might a business have more than one different revenue streams?
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Key Resources in the Business Model Canvas



The Key Resources section of the Business Model Canvas describes the important things a business needs to operate. These things are assets for the company. These resources help a company create value, serve customers, and make money. Without the right resources, a business cannot function well. This section connects closely to Value Propositions and Key Activities. Understanding key resources helps businesses plan for success.

Key resources can be physical, financial, human, or intellectual. These resources are objects, money, people, or information. Different businesses need different types of resources. For example, a car manufacturer needs factories, machines, and workers to build cars. A technology company, on the other hand, may rely on software, patents, and skilled programmers to create digital products. Each business must identify its most important resources to stay competitive.

The Key Resources section connects closely to Value Propositions. A business needs the right resources to deliver its promised value to customers. For example, a luxury hotel needs high-end buildings and trained staff to provide premium service. Without these resources, it cannot meet customer expectations. Key resources support the unique value a business offers.

This section also relates to Key Activities, which describe the main tasks a business must do to succeed. A company's activities depend on its resources. For example, a fashion brand needs designers and quality materials to produce clothing. Without these resources, the company cannot complete its key activities. Understanding key resources helps businesses plan their operations efficiently.

The Key Resources section is important because it helps businesses understand what they need to succeed. A company must have the right assets to create value and operate effectively. By connecting to Value Propositions and Key Activities, businesses can ensure they use their resources wisely. Identifying and managing key resources helps businesses grow and stay competitive.

1. Which word means the same as “resources”?

- a. assets
- b. customers
- c. operate
- d. value

2. What are the **4** types of key resources?

3. Why does the text mention “software, patents, and skilled programmers”?

- a. to explain each type of key resource
- b. to compare the most important types of resources
- c. to give examples of resources that are not objects or money
- d. to describe why software companies need to use different resources

4. A business does not have the right resources to match its value propositions. How can this be a problem?

- a. The business owner could market to the wrong group of customers.
- b. Resources could be used too quickly and cost the business unplanned expenses.
- c. The business could spend too much money on production and not enough on advertising.
- d. The company could not make the products that satisfy the value proposition for customers.

5. Which cause-effect statement about Key Resources and Key Activities is accurate?

- a. Planning key activities is an effect of needing key resources.
- b. Preparing key resources is an effect of incomplete key activities.
- c. Describing key activities is a cause of having more key resources.
- d. Understanding key resources is a cause of having successful key activities.

Key Activities in the Business Model Canvas

The Key Activities section of the Business Model Canvas describes the most important tasks a business must do to succeed. These activities help a company create value, serve customers, and make money. Every business has different key activities depending on its goals and industry. This section connects closely to Value Propositions and Key Resources. Understanding key activities helps businesses operate effectively.

Key activities are the essential actions that keep a business running. They depend on what the company offers. For example, a bakery's key activities include baking fresh bread, managing ingredients, and selling products to customers. A video streaming service, on the other hand, focuses on creating content, maintaining its website, and handling customer subscriptions. Each business must focus on the activities that bring the most value to customers.

The Key Activities section connects closely to Value Propositions. A business must complete its key activities to deliver on its promises. For example, a fast-food restaurant must prepare meals quickly and maintain good service to match its promise of speed and convenience. If a company does not perform its key activities well, it cannot provide value to customers.

This section also relates to Key Resources, which are the essential assets a business needs to perform its key activities. For example, a clothing brand needs fabric, sewing machines, and skilled workers to produce clothes. Without these resources, the company cannot complete its key activities. Managing key resources effectively helps businesses run their operations smoothly.



The Key Activities section includes what businesses need to do to succeed. A company must identify and perform these activities well to create value for customers. Businesses can focus on these activities to improve efficiency and customer satisfaction. Understanding key activities helps businesses grow.

1. What does "running" mean in this text?
 - a. improving
 - b. leaving
 - c. traveling
 - d. working

 2. The third paragraph says, "A business must complete its key activities to deliver on its promises."
What does "deliver on its promises" mean in this sentence?
 - a. decide how to complete each key activity
 - b. use the best resources to improve the business
 - c. become more popular than competing businesses
 - d. give customers the benefits from their value proposition

 3. Which word means the same as "essential"?
 - a. challenging
 - b. necessary
 - c. optional
 - d. resourceful

 4. Why does every business have different key activities?
 - a. Every business needs to do different tasks to succeed.
 - b. Every business has different types of problems to solve.
 - c. Every business relies on many different customers to grow.
 - d. Every business uses different resources to finish the same job.

 5. Can a business succeed at its Key Activities without Key Resources?
 - a. Yes, key resources can only impact value propositions.
 - b. Yes, key activities are the first steps to getting key resources.
 - c. No, key resources make it possible to complete the key activities.
 - d. No, entrepreneurs must have key resources before key activities begin.

 6. Carolle is planning a new lawn mowing business. What are **2** key activities she should plan for?
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Key Partnerships in the Business Model Canvas

The Key Partnerships section of the Business Model Canvas describes the outside organizations and individuals that help a business succeed. These partners provide important resources, services, or support that a company needs. Businesses form partnerships to reduce costs, solve problems, or access new markets. This section connects closely to Key Resources and Key Activities. Understanding key partnerships helps businesses operate effectively.



Key partnerships can include suppliers, service providers, or other companies. For example, a smartphone company may partner with a microchip business to get parts for its phones. Another example is a small bakery that partners with a local farm to get fresh ingredients. These partnerships help businesses get resources they need without having to make everything themselves.

The Key Partnerships section connects closely to Key Resources. A business may rely on partners to provide materials, technology, or expertise. For example, an online store may use a third-party delivery service instead of managing its own shipping. By forming partnerships, businesses can access important resources without owning them directly.

This section also relates to Key Activities, which describes the important tasks a business does. Some key activities can be outsourced to partners. For example, a clothing brand may design its products but rely on a factory in another country to produce them. By working with partners, businesses can focus on their most important activities while letting others handle supporting tasks.

The Key Partnerships section is important because it helps businesses strengthen their operations and reduce risks. A company must choose the right partners to get the best resources and support. By connecting to Key Resources and Key Activities, partnerships make businesses more efficient and competitive. Understanding and managing key partnerships helps businesses grow and succeed.

1. What does "outside" mean in the first paragraph?
 - a. most helpful
 - b. happening outdoors
 - c. not a part of the business
 - d. secret information that is not shared

 2. What is an example of a key partnership?
 - a. customer
 - b. entrepreneur
 - c. product
 - d. supplier

 3. What does "forming" mean in this text?
 - a. forcing
 - b. owning
 - c. starting
 - d. winning

 4. The text says, "Some key activities can be outsourced to partners."
What does "outsourced to partners" mean in this sentence?
 - a. Someone else from a key partnership will do the activity.
 - b. The business owner must explain key activities to all partners.
 - c. More successful businesses always work with more key partnerships.
 - d. Some key activities require different resources than the other key partnerships.

 5. Why are key partnerships an important part of a business plan?
 - a. Businesses need to work together to grow over time.
 - b. Key partnerships can help solve needs in other parts of the plan.
 - c. Partners are an important source of money instead of customers.
 - d. Without key partnerships, it is impossible to sell a good or service.

 6. Danielle wants to start a grilled cheese business. What is another business that Danielle may want to make a partnership with?
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Cost Structure in the Business Model Canvas

The Cost Structure section of the Business Model Canvas describes the money a business spends to operate. Every company has costs they must manage to make a profit. Businesses must understand their expenses to set prices and ensure they have the money they needed. This section connects closely to Key Resources and Key Activities. Understanding cost structure helps businesses control spending and improve efficiency.

Cost structure includes all a business's expenses. There are two types of expense: fixed and variable. Fixed costs stay the same, like rent for a store or salaries for employees. Variable costs change based on how much the business sells, like the cost of materials or shipping fees. For example, a factory has fixed costs for its building and machines, but variable costs for electricity and raw materials. Another example is a ride-sharing company that has fixed costs for app development but variable costs for driver payments.



The Cost Structure section connects closely to Key Resources. A business must spend money on important resources like buildings, equipment, and employees. For example, a restaurant needs to pay for kitchen supplies and staff wages. The cost of these resources affects how much the business must charge for its food. Understanding these expenses helps a company plan its budget.

This section also relates to Key Activities, which include the essential tasks a business must perform. Some activities, like production, marketing, or customer service, require money to run. For example, an e-commerce company spends money on advertising and website maintenance to attract customers. Managing costs for key activities helps a business stay efficient and profitable.

The Cost Structure section is important because it helps businesses understand where their money goes. A company must control expenses while still delivering value to customers. By connecting to Key Resources and Key Activities, businesses can balance costs and profits. Managing the cost structure wisely helps businesses grow and succeed.

1. What does the word “operate” mean in the first paragraph?
 - a. complete a job
 - b. perform a surgery
 - c. use a type of machine
 - d. work with others in a big team

2. Which type of resource does Cost Structure focus on?
 - a. financial
 - b. human
 - c. intellectual
 - d. physical

3. Which cause-effect statement is true about Cost Structure?
 - a. Cost structure plans cause key activities to be more expensive.
 - b. Key resources with fixed costs cause a change in cost structure plans.
 - c. Effective key activities and key resources cause lower cost structures.
 - d. Businesses with better cost structure plans have more key resources and key activities.

4. Does a Business Model Canvas need to include both fixed and variable costs?
 - a. No, fixed costs are the only costs that businesses plan for.
 - b. Yes, both types of costs are needed to earn key resources.
 - c. Yes, both types of costs can impact the money a business spends.
 - d. No, variable costs are the only costs that businesses need to research.

5. Use the T-chart below to compare fixed costs and variable costs.

Same	Different

6. Why is the Cost Structure an important part of the Business Model Canvas?
 - a. Costs have to be low for a business to be successful.
 - b. Business have to have more fixed costs than variable costs.
 - c. The canvas needs to have all sections filled in so it is complete.
 - d. Costs and Revenue Streams must align in a successful company.

The Business Model Canvas

1. 9
2. They are related sections.
3. Value Propositions
4. Any terms could be circled!

The Business Model Canvas: Purpose and Organization

1. B
2. A
3. Any 3 answers from: Revenue Streams, Key Resources, Key Activities, Key Partnerships, and Cost Structure
4. C
5. The Business Canvas Model lets you see all important parts of your business organized together.

Customer Segments in the Business Model Canvas

1. C
2. D
3. B
4. B
5. One customer segment needs in-person help, but another needs an app.

Value Propositions in the Business Model Canvas

1. B
2. C
3. A
4. C
5. A different group of customers will need a different value proposition.

Channels in the Business Model Canvas

1. B
2. app, store, website
3. C
4. C
5. Responses should describe realistic ways to reach customers of an ice cream business. For example:
 - A truck could be a channel for Janine. The truck would let her drive to customers in different places and get their attention.
 - Janine could use a physical store for her business channel. This would let people come inside to see and eat the ice cream in person.

Customer Relationships in the Business Model Canvas

1. D
2. A
3. D
4. B
5. Ven diagrams should include accurate information in each section. Customer Relationships involve connecting with customers, but Customer Segments involves only information about customers. Both are pieces of the Business Model Canvas that relate to the people buying from a business, and both pieces can affect the business choices and success.

Revenue Streams in the Business Model Canvas

1. C
2. A
3. C
4. D
5. A
6. To attract different customers or sell different types of products

Key Resources in the Business Model Canvas

1. A
2. physical, financial, human, intellectual (or objects, money, people, information)
3. C
4. D
5. D

Key Activities in the Business Model Canvas

1. D
2. B
3. D
4. A
5. C
6. Responses should be activities related to a lawn care business. For example:
 - mowing lawns and raking grass
 - talking to neighbors and scheduling appointments

Key Partnerships in the Business Model Canvas

1. C
2. D
3. C
4. A
5. B
6. Responses should describe a business that could supply a grilled cheese business. For example:
 - A bakery could partner to give her bread.
 - Danielle could partner with a soup business to share more customers.

Cost Structure in the Business Model Canvas

1. A
2. A
3. B
4. C
5. Charts should include accurate information in each column. Both fixed and variable costs are part of a business, use money, and are part of cost structure. Only fixed costs stay the same, but only variable costs change and can be hard to predict.