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102 – Induction to Pedagogy for NGO staff

Module 5 –

The NGEEnvironment Immersion Programme

Part 1: Business Models

Prepared by
Rightchallenge



NGEEnvironment

Foster European Active Citizenship and Sustainability
Through Ecological Thinking by NGO's

ERASMUS+ Programme – Strategic Partnership
Agreement No.
2018-1-DE02-KA204-005014



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Agenda

1. Business Models

1.1 What is a business model?

1.2 Business Model Canvas

1.2.1 Business Model Canvas for NGOs, non-profits and third sector organisations



Learning Outcomes of Module 5

- ❖ Recognise the importance of Business models and value propositions
- ❖ Be able to reflect on their own resilience and its value in starting a business
- ❖ Understand the chances of being an entrepreneur with an own NGO
- ❖ Be able to develop a structured business plan
- ❖ Be able to pitch for approval of a business idea



Overview on Module 5: The NGEEnvironment Immersion Programme

Module/Unit	Learning Outcomes – The learner will:	Indicative Content
The NGEEnvironment Immersion Programme	<ul style="list-style-type: none"> • Understand the characteristics and structure of a Business Model • Understand the importance of the value proposition for NGOs and non-profits • Understand the development process of an NGO • Understand the entrepreneurial process to develop a sustainable business 	<ul style="list-style-type: none"> • Business Models • Value Proposition • Case studies NGOs development • Creation of own entrepreneurship ideas • Opportunity recognition and selection • Business plan • Pitching business ideas



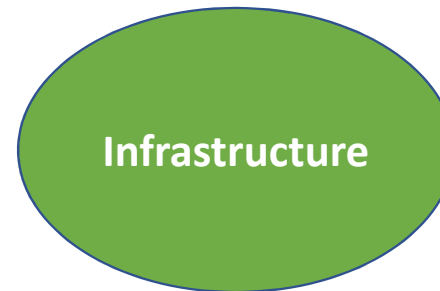
1. Business Models

It “describes the rationale of how an organisation creates, delivers and captures value” (Osterwalder & Pigneur, 2010, p.14) by articulating the “the logic, the data and other evidence that support a value proposition of the customer, and a viable structure of revenues and costs for the enterprise delivering that value” (Teece, 2010, p.173)”



1.1 Business Model Canvas

In order to **facilitate** the development or improvement of business structures, Osterwalder & Pigneur (2010) proposed the Business Model Canvas as a **simple business framework** that structures the **9 main blocks** of a **business model**, covering the following areas:





1.1 Components of the Business Model Canvas

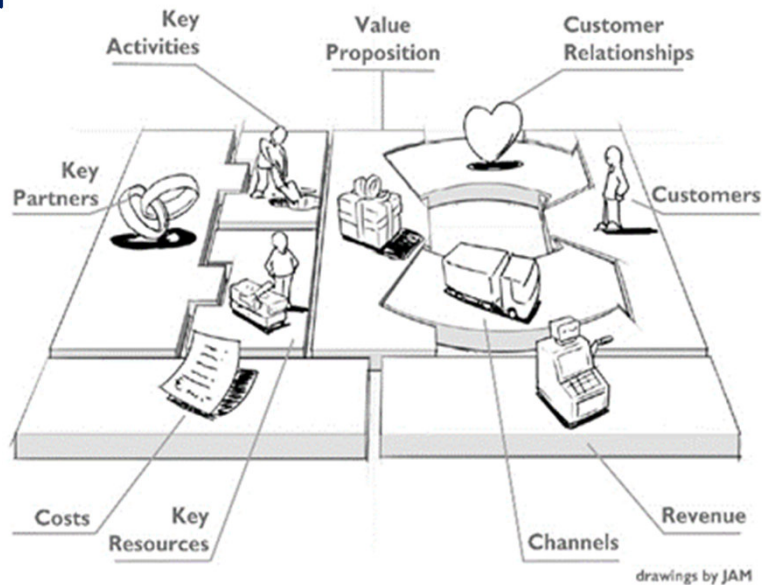


Figure 1: Business Model Canvas. Adapted by Osterwalder & Pigneur (2010)

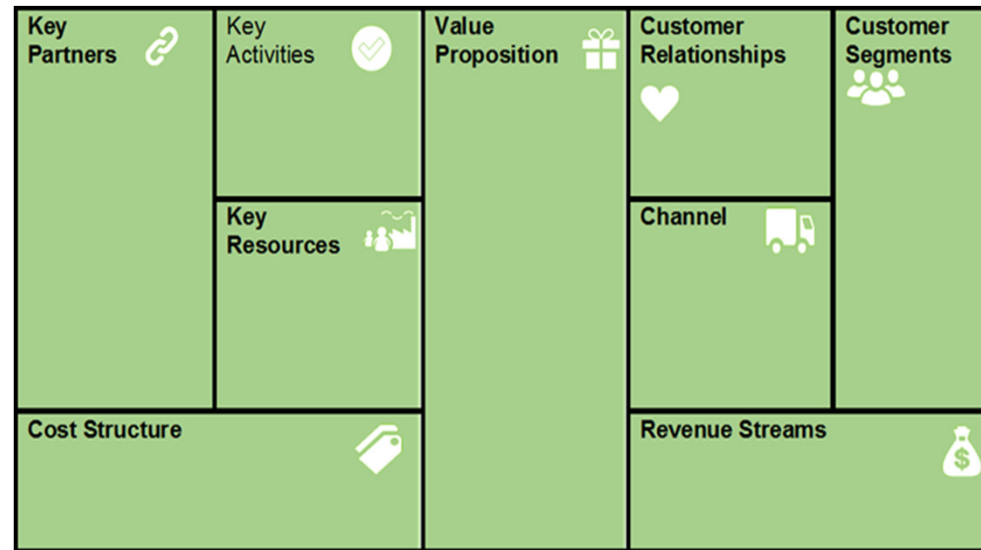


Figure 2: Business Model Canvas. Adapted by Osterwalder & Pigneur (2010)



1.1 Components of the Business Model

Canvas

Revenue
streams

How an organisation **create several revenue streams** to generate **cash flow in a continuous way**

Key resources

The essential resources to **create value for customers**

Key activities

The essential activities and actions that an enterprise must do to **make their business running.**

Key partnerships

The network of partners and suppliers that optimise and improve the business model

Cost structure

All the costs associated to **the operationalisation** of the business model.



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1.1 Business Model Canvas

According to Qastharin & Liu (2014) the Business Model Canvas can also be applied in NGOs, non-profit organisations, charities and for-profit social ventures. The only main difference is the focus of the enterprise, because many social enterprises don't focus only in profitable activities, but also in social and environmental issues.



1.1.1 Business Model Canvas for NGOs, non-profits and third sector organisations



Source: Pexels



Third-party funded business model

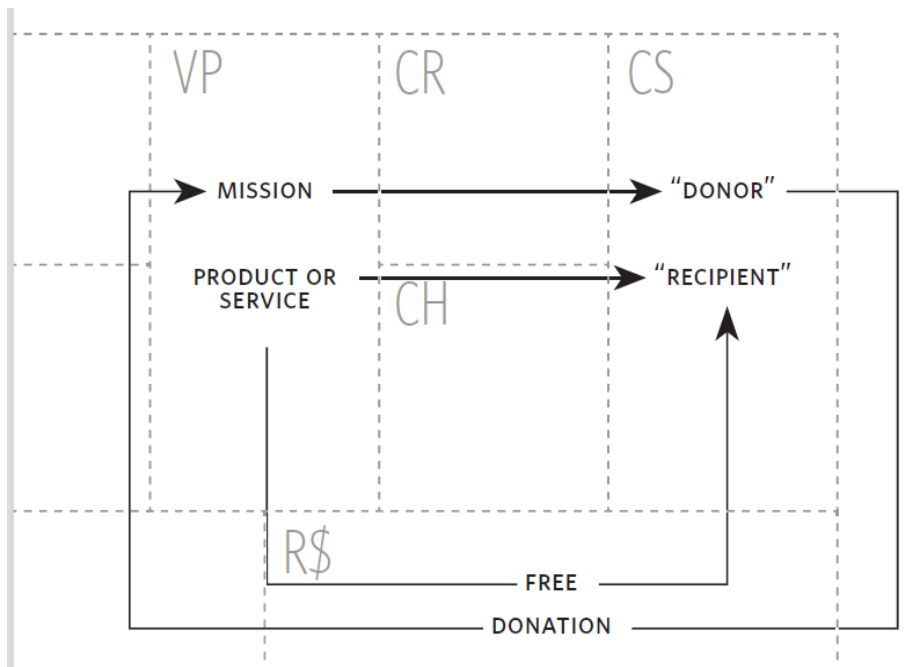


Figure 3: Third-party funded business model. Osterwalder & Pigneur (2010)

In the third-party funded business, the product and /or service **recipient is not the payer**. In this model, products and services **are paid from a third party that request to an enterprise "to fulfil a mission, which may be of a social, ecological or public service nature"** (Osterwalder & Pigneur, 2010, p.264)



Triple Bottom Line Business Model

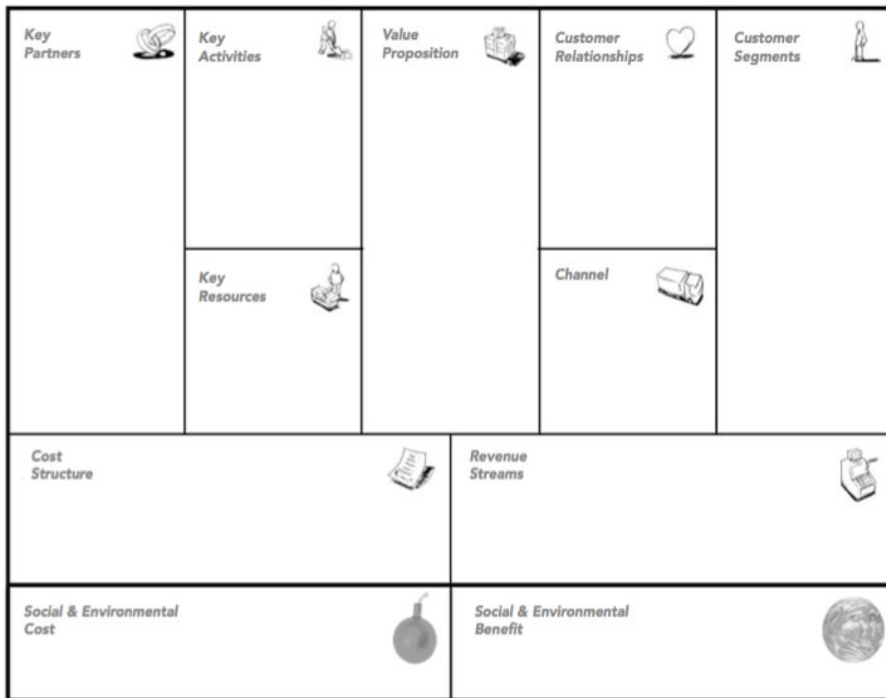


Figure 4: Triple Bottom Line Business model. Adapted from Osterwalder & Pigneur (2010)

The Triple Bottom Line Business model aims to **minimise the negative social and environmental impacts and maximise the positive.**

Two more blocks are added in this model: (1) **the social and environmental costs** of a business model and (2) **the social and environmental benefits** of a business model (Osterwalder & Pigneur, 2010).



Social Business Model Canvas

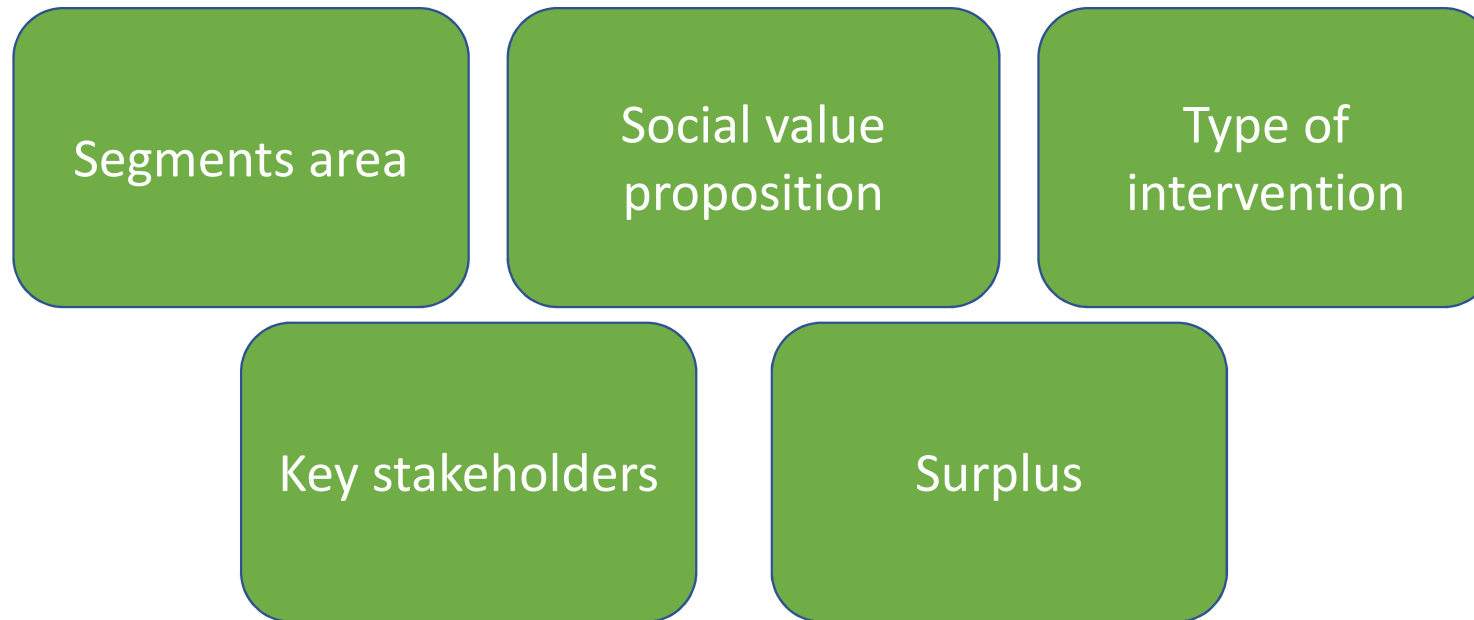


The Social Business Model Canvas focus on the impact that **social business create for beneficiaries rather than creating profits.** (Business Model Toolbox, n.d.)

Figure 5: Social Business Model Canvas. Source: Tandemic (2019)



Social Business Model Canvas





Business Model Canvas

The Silly Cow Exercise (Osterwalder & Pigneur, 2010)

Task

Step 1

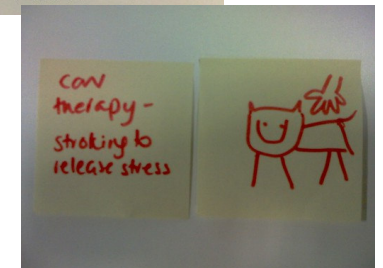
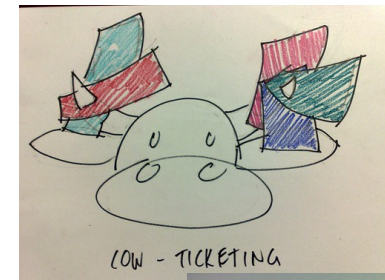
The main goal is to sketch three different business models using a cow. But first, brainstorm and define the characteristics of a cow (e.g. produces milk, eats all day, makes a mooing sound, etc). You have to use these characteristics to come up with an innovative business model based on a cow.

Step 2

Build your business model with the "Silly Cow Exercise"

Step 3

Presentation of your business model to the class or to the trainer



Source: Osterwalder (2009)



Business Model Canvas

Build your BMC

Step 1

Task

- **Video 1: Business Model Canvas explained**

<https://www.youtube.com/watch?v=QoAOzMTLP5s&t=68s>

Strategyzer: Business Model Canvas explained

- **Video 2: A Social Business Model Example**

<https://www.youtube.com/watch?v=WET0elcMQ78&t=83s>

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Step 2

Build your Social Business Model Canvas. You can download the template [here](#).



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Thank you very much for your attention!

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Websites:

<http://www.ngenvironment-project.eu/>
<http://ngenvironment.eduproject.eu/>



Sources

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