

## Step 4 in the GRIPS process: Prototype

### The Truly Sustainable Business Model Canvas – Question Catalogue

The **Truly Sustainable Business Model Canvas (TSBMC)** is an integrative approach. This canvas builds off the Sustainable Business Model Canvas concept by (Fichter/Tiemann 2015). The TSBMC incorporates an outside-in perspective identified in the Business Sustainability Typology (Dyllick/Muff 2016), improving on the existing canvas by focusing on overall value-creation, consideration for the United Nations Sustainable Development Goals (SDGs) and the importance of partnerships and collaboration to achieve these goals. The questions are no longer segregated into classic and sustainability questions, demonstrating the new way of thinking about business sustainability as proposed under the Business Sustainability Typology.

The questions below should be understood as a collection of questions from which the relevant questions for the idea formation must be selected. The provided order serves as orientation and can be varied during processing. Enjoy the process of co-creation and innovation!



Figure 1: The Business Model Canvas adapted for the outside-in perspective of True Business Sustainability

#### Business Model Vision & Mission

- What long-term social and/or environmental challenge are you trying to solve with your new business idea? Where should your organization be in five or ten years?
- What values will this business idea be determined by? Which mission do you pursue with your business idea? Which duty does it fulfil in this world?
- How can you describe your Vision and Mission in a short and understandable way? Does this align with your core business sustainability strategy?
- What is the desired impact of your business idea on the SDGs?
- What concrete contributions will this business idea make to achieve the sustainable development goals by 2030?

### **Value Proposition**

- Describe the business idea's sustainable value proposition (product or service).
- What is unique about the value proposition?
- How is your business idea creating value for the SDGs, for stakeholder versus traditional shareholders?
- Is there a risk for creating any unintended harm to any of the SDGs? Which issues come to mind and why? How can you compensate for or entirely avoid potential negative effects?
- How does the integration of sustainability contribute to customer's benefit?
- How does it add value to other stakeholders? If so, which ones?
- Can the sustainable value contribution be enhanced or enabled with the help of product-related environmental / sustainability-standards measures (certification, label, seal)? If so, which one(s)?

### **Customers**

- Who are your customers? Are there any key customers?
- Is your business idea focussing on new customers or new needs? If so, which ones?
- Which customer segments should be served? Describe your target audience as precise as possible.
- What is the importance of "sustainability" for your target group / your key customers now and probably in the future?
- Can new green markets be opened up by incorporating additional sustainability aspects?
- How should the customer relationship be formed? Which communication and distribution channels are suitable?
- Is a credible sustainability certificate / seal important to your customers?

### **Impact Indicators and SDGs targeted**

- How will you measure non-financial returns?
- What is the social and/or environmental impact (both positive & negative, intended and unintended) created?
- Is there a clear link to the Sustainable Development Goals (SDGs)?
- Which SDGs are being targeted with this initiative?

### **Other players**

- Who are the relevant competitors?
- How strong is the competition in the market?
- Who are important partners for you to realize your idea?
- What are their key contributions to make your idea a success?
- What is the competitive advantage of your idea in the chosen market?
- What role does sustainability play in the relevant market? Now and in future?
- Can the business idea change or influence the rules of the game for your competitors?

### **Success - relevant stakeholders for the business model**

*Stakeholders are all persons and organizations who have an interest in the prototype idea and can contribute to its success:*

- *Current and future employees and their families and relatives*
  - *Current and future customers and suppliers*
  - *Interest groups in finance, such as investors, banks, lenders, public sector (through state funds / programs)*
  - *Landlord and tenants*
  - *Municipalities*
  - *The environment (with regard to energy use and pollution) - as a substitute of the humanity*
  - *The nation as the recipient of taxpayers and provider of social benefits*
- Which other (besides customers and key partners) are success-relevant stakeholders / actors for your business idea?
  - What is their power of influence over the project? Are they positive, negative or neutral for the organization and business idea?
  - Does your business idea generate additional value for other stakeholders / actors or can previously unmet needs of other stakeholders be considered and used?
  - How should stakeholder relationships be formed? Which communication channels are suitable?
  - Do you need to form new/additional partnerships with certain key stakeholders?
  - Which stakeholders would best be involved in the development of your business model development for your business idea?

### **Value-creation model**

- Which value will you create through this business idea?
- Are there multiple sources of value-creation? How much does each value-creation source contribute to the overall value-creation?
- How should the pricing model be designed?
- What is the customers' willingness-to-pay for your idea?
- Does your idea, which solves a sustainability issue, allow for improved access to the sources of revenue (e.g., governmental support programs, increased customer willingness-to-pay)? If yes, which?
- Are higher prices or stronger customer loyalty achievable through compliance with the SDGs?
- Is the sustainable focus of your idea attractive to creditors? If yes, for which?

### **Key activities**

- Which central activities are necessary for the realization of your value promise?
- Which of the activities do you drive yourself? For which ones do you need partners?
- At which value creation stage do you position yourself? How do you justify that?
- What role does sustainability play in your key activities?
- To what extent is sustainable design / implementation of your key activities important to fulfil your value proposition? (efficient and safe processes, certification).
- Are there key activities that can be made more sustainable?
- Can for example procurement, production, transport and / or consumption of energy, raw materials or water be made in a more efficient, fairer or more secure way?
- Can certain risks, such as reputational damage, legal requirements be avoided through more sustainable key activities?

### **Key resources**

- What key resources and skills are necessary for the realisation of your value proposition?
- Which of these are already existing, which ones must be acquired or for which ones do you need to find partners?
- Is the implementation team already equipped with resources and skills requirements or does the team need external support?
- Is your organization becoming more attractive to future employees through the sustainability focus of your idea?
- Do environmental critical production factors belong to the key resources? Can the consumption be minimized or converted to less critical resources? Does this resource have considerable environmental or social impact?
- Does the circular principle apply to the use of the key resources? Is there a take-back / recycle-system?

### **Key partnerships**

- Which partners do you need to fulfil your value promise? Do they share similar sustainability values and priorities? How can you interest them?
- Who are the most important business partners and suppliers? How do you identify and interest them?
- Which key resources do you obtain from partners? Which key activities do partners carry out?
- Which partners are necessary to meet your sustainability requirements? Who can support you beyond that? (e.g. associations / organizations?)
- Which sustainability requirements are relevant along your value chain (including key partners from upstream and downstream levels)? To what extent do you assess those as an opportunity or a risk?

### **Cost structure**

- What are the costs of your key activities / resources? Which are the main expenses for your project? Production, distribution channels, logistics etc.?
- Are there any sustainability issues in the supply chain for this project?
- Describe your cost structure (fixed costs, variable costs)?
- What major investments do you need to make? Does the sustainability consideration of your initiative impact access to capital?
- Can costs be reduced through savings in resource consumption or system design (e.g., closed-loop processes, industrial ecology, etc.)?
- Can future costs arise if sustainability principles are not taken into account?
- Are there additional costs accumulated for the consideration of sustainability aspects?
- Do additional costs need to be taken into account e.g. for environmental / sustainability certifications or for a takeback / recycle system?

## **References**

Dyllick, T., & Muff, K. (2016) What does sustainability for business really mean? And when is a business truly sustainable? In: Jeanrenaud, S., Gosling, J. & Jeanrenaud, J.P. (eds.). Sustainable Business: A One Planet Approach, Chichester: Wiley 2016, pp. 381-407.

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