

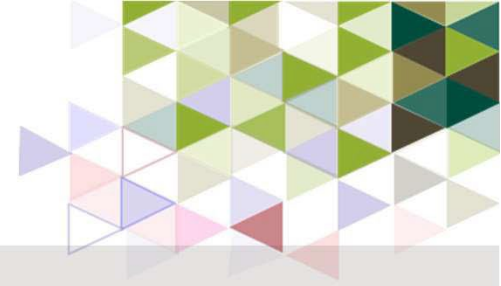
SIP 4

SOCIAL INNOVATION PROJECT 4: SUSTAINABLE BUSINESS PLAN

Workshop Business Planning

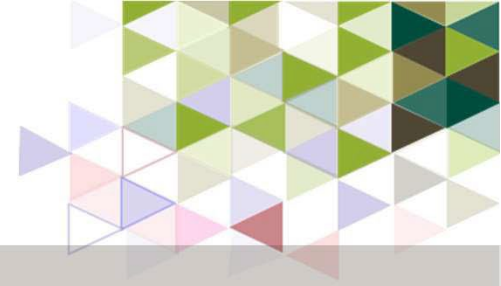
Dr. Mona D. Mirtsch / Dr. Daniel J. Kruse

Prof. Dr. Britta M. Gossel



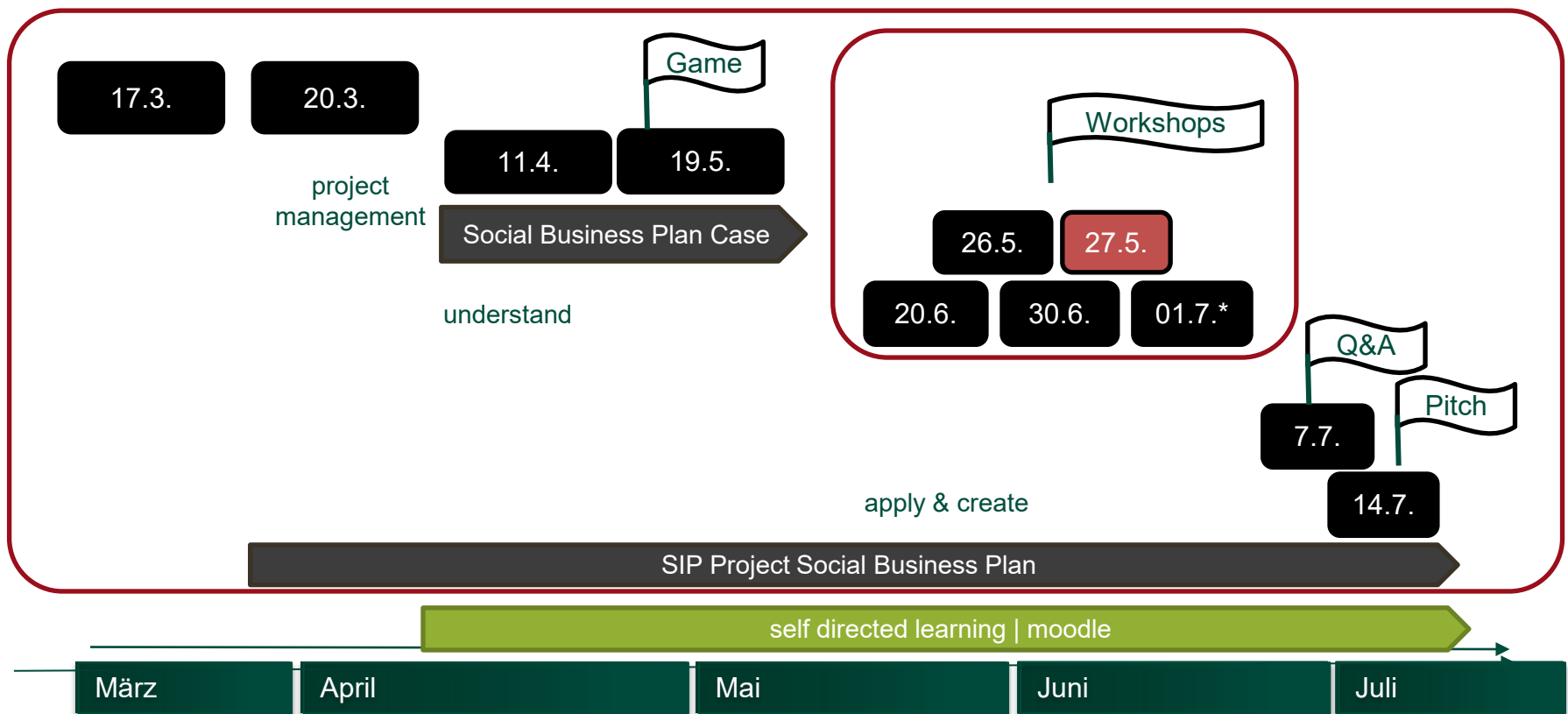
Agenda

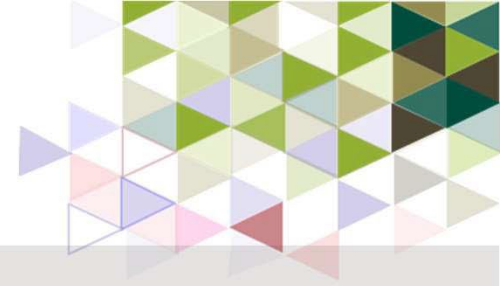
- 9:00 – 11:00 Impuls Génica Schäffen (Ecosia)
- 11:00 – 12:00 Impuls (social) business models
- 12:00 – 13:00 Mittagspause
- 13:00 – 15:30 Input zu euren SBPs und Gruppenarbeit



Schedule

* 1.7.new in SWP instead of 27.6.

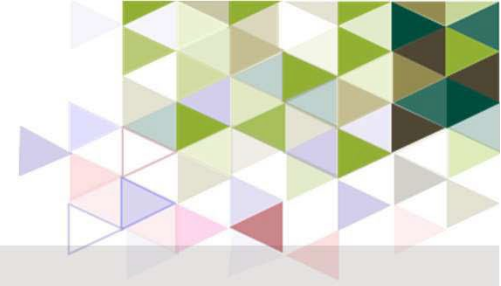




Overview

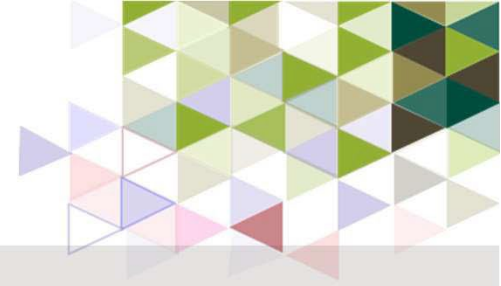
Task 1b – This is where we are

- **Part 1 - Introduction:**
 - Vision & Mission / Executive Summary / Introduction of the Founders
- **Part 2 - Social Business Model:**
 - Social Challenges / Business Idea / **Business Model / Solution Approaches** / Impact Orientation.
- **Part 3 - Organisational, legal and financial framework:**
 - Organisation (legal form, organisation, personnel, location, network)
 - Market (**market, customer/target group, competition**)
 - Marketing (product/price/distribution/communication)
 - Financial planning (initial situation, calculation basis, financing plan, liquidity plan, profitability)
 - Capital financing (equity/borrowed capital, etc.)
 - Realisation plan/ risk analysis (SWOT)
- **Part 4 - Conclusion & Outlook**
- **Appendix**



Agenda

- 9:00 – 11:00 Impuls Génica Schäffen (Ecosia)
- 11:00 – 12:00 Impuls (social) business models
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Impulse on business models

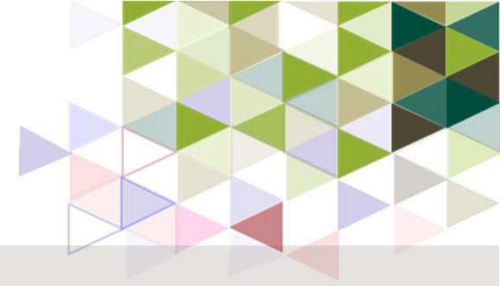
The concept of business model refers to how a company does business.

All businesses, either explicitly or implicitly employ a particular business model. A business model describes the design or architecture of the value creation, delivery and capture mechanisms employed.

The essence of a business model is that it *crystallizes customer needs* and *ability to pay*, defines the manner by which the business enterprise responds to and *delivers value to customers*, entices customers to pay for value, and converts those payments to profit through the proper design and operation of the various elements of the value chain.

Put differently, a business model reflects management's hypothesis about what customers want, how they want it and what they will pay, and how an enterprise can organize to best meet customer needs, and get paid well for doing so.

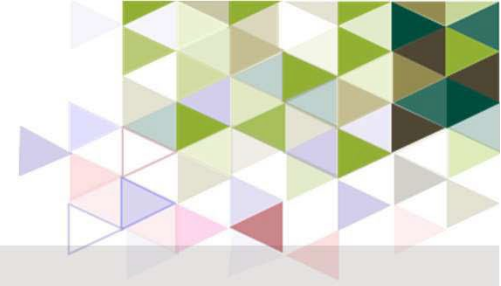
Teece, D. J. (2010). Business Models, Business Strategy and Innovation. *Long Range Planning*, 43(2-3), 172-194.



Impulse on business models

The rise of business models

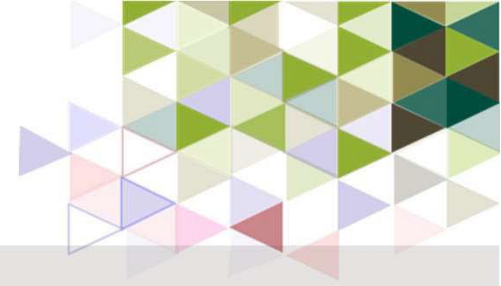
- The concept of business model emerged alongside the rapid expansion of Internet-based technologies and platforms during the mid 1990s.
- The advent of the Internet and rapid advances in information and communication technologies (ICT) allowed entrepreneurs and managers to progressively introduce new ways to organize business exchanges and transactions. This changed the ways in which companies (and other types of organizations) would do business.
- These groundbreaking methods became known as business model innovations.



Impulse on business models

The rise of business models

- Transforms the ways products and services are bundled into offerings, how customers and stakeholders engage with and utilize these offerings, and how companies generate revenue from these activities.
- Allows organizations to adapt and thrive in rapidly evolving markets. By exploring new ways to deliver value, companies can respond effectively to shifts in customer preferences, emerging technologies, and competitive landscapes.



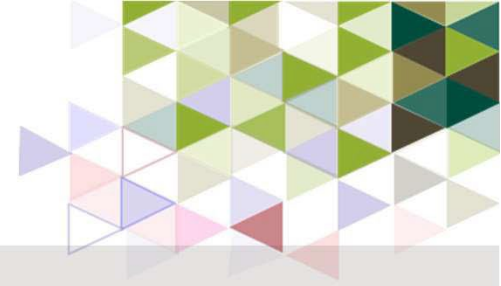
Impulse on business models

Business model innovation

Has attracted interest because it promises to have a high impact on performance (e.g., Google and Xerox).

It can be a source of disruption. By introducing disruptive business models, companies can redefine markets, challenge incumbents, and gain market leadership (e.g., Airbnb & Uber).

It offers the opportunity to radically reinvent customer value (e.g., Ryanair's cheap flights or IKEA's flat pack and self-assembly furniture).



Impulse on business models

Business model innovation



Gillette's razor and blades modular offerings:

Selling primary products cheaply (razor) and making money through relatively expensive consumables (blades).



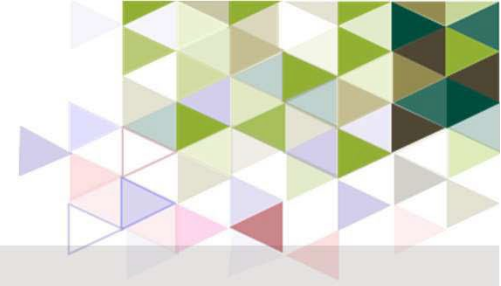
Dropbox's Freemium offering:

Offering a free, reduced-feature version to reach critical mass in combination with a premium version for revenue.



Roll Royce performance-based pricing:

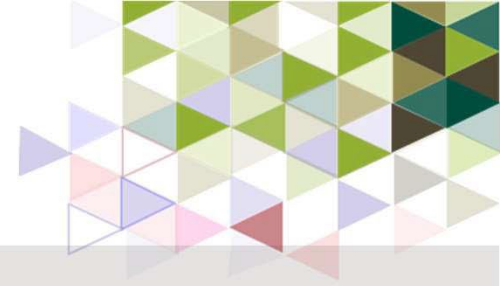
Power-by-the-hour prices aircraft engines based on performance in flight hours.



„Types“ or patterns of business models

Sources

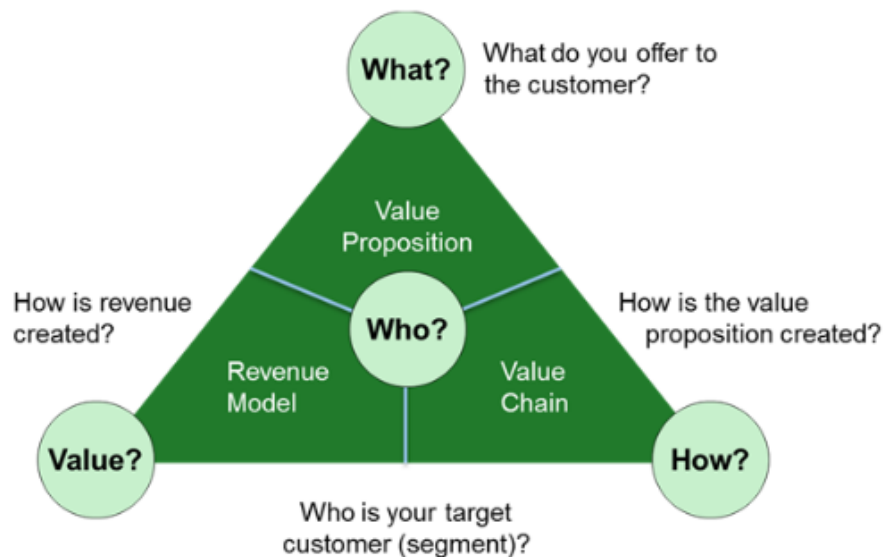
- Traditional business models
- Sustainable business models
- Business models of social enterprises

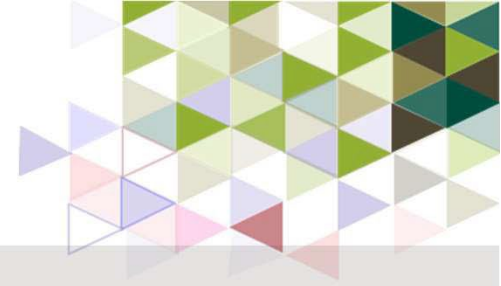


Traditional business models

St. Gallen Business Model Navigator

- Four central dimensions: the Who, the What, the How, and the Value.
- 55 business model patterns





Traditional business models

St. Gallen Business Model Navigator

- Four central dimensions: the Who, the What, the How, and the Value.
- 55 business model patterns



Freemium # 18

The basic version of an offering is given away for free in the hope of eventually persuading the customers to pay for the premium version. The free offering is able to attract the highest volume of customers possible for the company. The generally smaller volume of paying 'premium customers' generate the revenue, which also cross-finances the free offering.

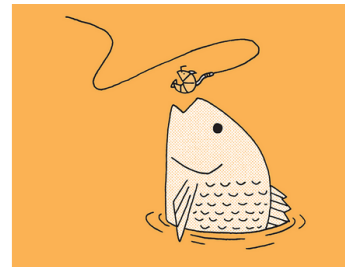
Examples:



Open Source # 33

In software engineering, the source code of a software product is not kept proprietary, but is freely accessible for anyone. Generally, this could be applied to any technology details of any product. Others can contribute to the product, but also use it free as a sole user. Money is typically earned with services that are complimentary to the product, such as consulting and support.

Examples:

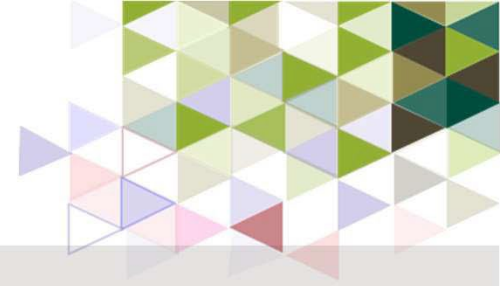


Razor And Blade # 39

The basic product is cheap or given away for free. The consumables that are needed to use or operate it, on the other hand, are expensive and sold at high margins. The initial product's price lowers customers' barriers to purchase, while the subsequent recurring sales cross-finance it. Usually, these products are technologically bound to each other to further enhance this effect.

Examples:





Traditional business models


St. Gallen Business Model Navigator

Explore: Patterns

In this section, dive into one of the 55 Business Model Patterns, each providing a practical template to help you build new business models from scratch and supercharge your existing business models. A short description is provided, capturing the key concept and underlying mechanisms of the respective business model pattern, as well as exemplary firms applying the pattern. Select a business model pattern from the list below, or use the search function in order to get started...

Search patterns:

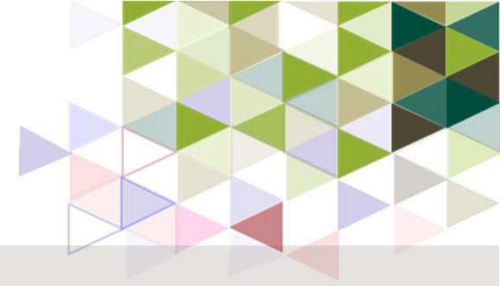
Try e.g. "research", "license", "scale", "service", ...



Pay What You Want # 36

The buyer pays any desired amount for a given commodity, sometimes even zero. In some cases, a minimum floor price may be set, and/or a suggested price may be indicated as guidance for the buyer. The customer is allowed to influence the price, while the seller benefits from higher numbers of attracted customers, since individuals' willingness to pay is met. Based on the existence of social norms and morals, this is only rarely exploited, which makes it suitable to attract new customers.

<https://businessmodelnavigator.com/explore>



Sustainable business models

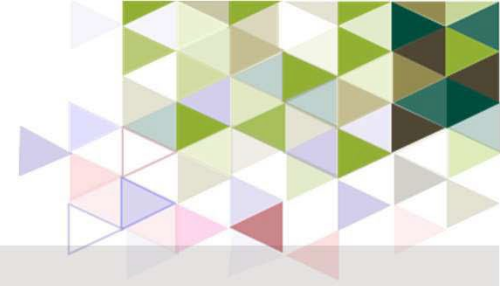
What is a sustainable business model?

Business models with the potential to help solve sustainability challenges and contribute to sustainable development are called ‘**business models for sustainability**’ – or simply ‘sustainable business models’.

A sustainable business model helps companies to create, deliver, and capture value, *while* **solving sustainability challenges and promoting sustainable development.**

In the case of sustainable business models, value creation includes ecological, social, economic, and other forms of value for various stakeholders.

Or, in the language of global sustainability governance frameworks, sustainable business models contribute to reaching the United Nations Sustainable Development Goals (SDGs).



Sustainable business models

What is a sustainable business model pattern?

- Patterns for sustainable business model design are about solving the challenges companies face when they deal with ecological and social issues in their business activities. For example, reducing resource consumption or including neglected stakeholders.
- A more formal definition: *A pattern for sustainable business model design is a repeatable solution to enduring environmental, social, and economic challenges that arise when an organisation aims to create, deliver, or capture value in a **sustainability-oriented manner**.*

Lüdeke-Freund, F., Carroux, S., Joyce, A., Massa, L., & Breuer, H. (2018). The Sustainable Business Model Pattern Taxonomy – 45 Patterns to Support Sustainability-oriented Business Model Innovation. *Sustainable Production and Consumption*, 15, 145-162.



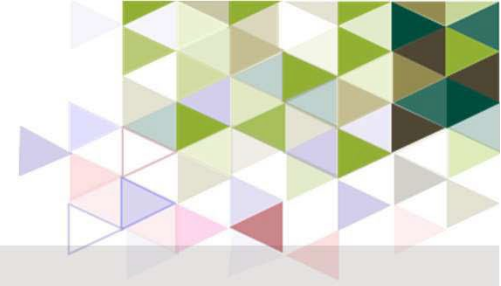
Sustainable business models

Which elements does a pattern include?



Figure 1: Pattern at a Glance

Figure 2: Elements of a pattern



Sustainable business models

11 pattern groups of sustainable design models

The 45 individual SBMD patterns are organised in 11 groups, according to recurring business design challenges companies face:

1. Pricing & revenue
2. Financing
3. Ecodesign
4. Closing-the-loop
5. Supply chain
6. Giving
7. Access provision
8. Social mission
9. Service & performance
10. Cooperative
11. Community platform



45 sustainable design models within 11 patterns (1-5)

1 **PRICING & REVENUE** patterns define how the offerings of sustainable business models can be priced and revenues generated.

- 1 Differential Pricing
- 2 Social Freemium
- 3 Customer Financing
- 4 Subscription

2 **FINANCING** patterns suggest different ways of acquiring equity, debt, and operating capital to finance sustainable business models.

- 5 Crowdfunding
- 6 Microfinance
- 7 Profit Reinvestment

3 **ECODESIGN** patterns define how activities, processes, and offerings can be designed to improve the ecological performance of business models.

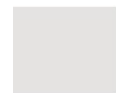
- 8 Green Razor and Blade
- 9 Resource Efficiency and Productivity
- 10 Sustainable Product Design
- 11 Renewable Resources and Natural Processes

4 **CLOSING-THE-LOOP** patterns integrate the idea of circular material and energy flows into business model design.

- 12 By-Product Synergy
- 13 Industrial Symbiosis
- 14 Online Waste Exchange Platform
- 15 Product Recycling
- 16 Remanufacturing
- 17 Repairing
- 18 Reusing
- 19 Take-Back Management
- 20 Upgrading

5 **SUPPLY CHAIN** patterns define how resource inputs are sourced and target markets are reached.

- 21 Green Supply Chain Management
- 22 Inclusive Sourcing
- 23 Micro Distribution and Retail
- 24 Virtual Sales and Distribution
- 25 Produce on Demand
- 26 Short Supply Chain





45 sustainable design models within 11 patterns (6-11)

6 **GIVING** patterns enable the donation of products or services.

27 Buy One, Give One
28 Data for Social Good

7 **ACCESS PROVISION** patterns help create markets and provide offerings for otherwise neglected social target groups.

29 Market Maker
30 e-Transaction Platform
31 Experience-Based Customer Credit
32 Last-Mile Grid Service
33 Value-for-Money Education
34 Value-for-Money Housing

8 **SOCIAL MISSION** patterns show how to empower social groups to become productive partners and to turn their needs into demand.

35 Expertise Broker
36 Employing Minority Talent
37 Soup Kitchen
38 Socio-Economic Empowerment
39 Two-Sided Social Business

9 **SERVICE & PERFORMANCE** patterns support dematerialising a business model by shifting from physical products to functions, services, and results.

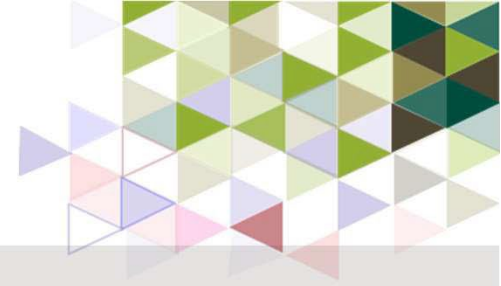
40 Pay for Success
41 Product-Oriented Service
42 Use-Oriented Service
43 Result-Oriented Service

10 **COOPERATIVE** patterns integrate a broad range of stakeholders as co-owners and co-managers.

44 Cooperative Ownership

11 **COMMUNITY PLATFORM** patterns substitute individual resource or product ownership with community-based access.

45 Sharing



Business models of social enterprises

9 models of social enterprises

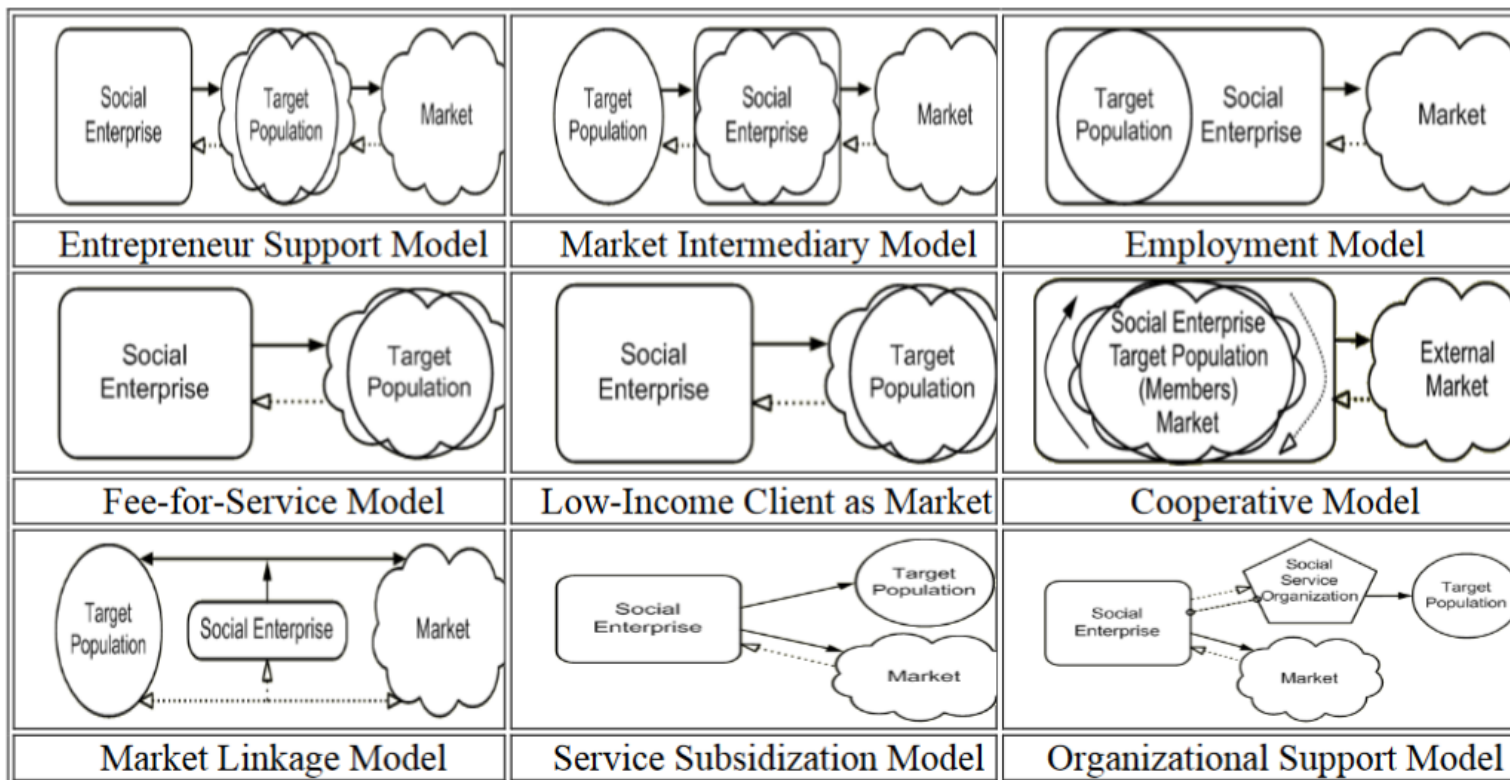
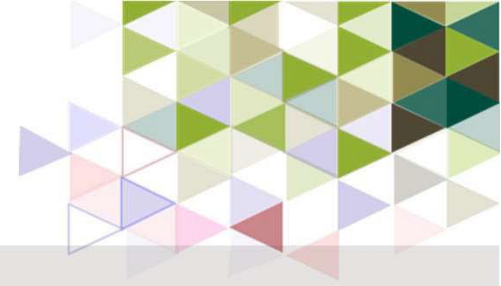


Table 1: Business models of social enterprise



Business models of social enterprises

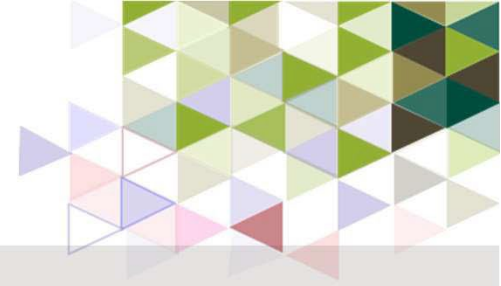
The Entrepreneur Support Model



BANK FOR THE POOR
GRAMEEN BANK

Die Grameen Bank, gegründet von Nobelpreisträger Mohammad Yunus, ermöglicht(e) mit Mikrokrediten Millionen Menschen, aus der Armut zu entkommen, indem sie kleine Unternehmen gründeten.





Business models of social enterprises

The Market Intermediary Model I



Auf der Suche nach
kulinarischen Schätzen reisen
wir in Regionen, um die
andere einen Bogen machen.



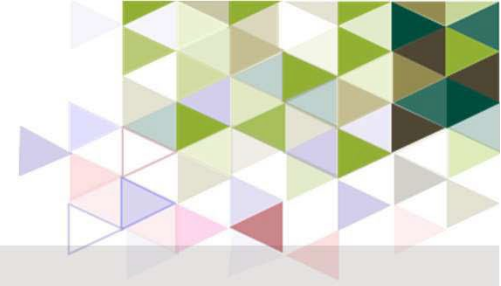
Zu den lokalen
Produzent:innen bauen wir
Handelsbeziehungen auf.
Ehrlich. Direkt. Und fair.



So leisten wir einen
köstlichen Beitrag zur
Lösung sozialer und
ökologischer Konflikte.



Du setzt mit jedem Kauf ein
Zeichen. Für soziale Gerechtigkeit.
Für Mensch & Natur. Und am Ende
auch für Dich!



Business models of social enterprises

The Employment Model

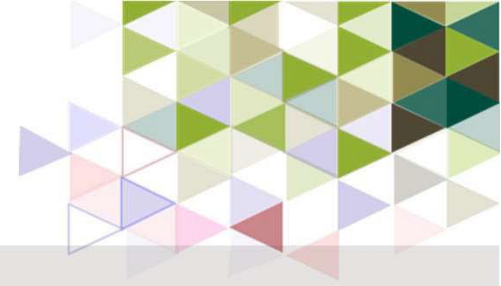


discovering
hands
taktile diagnostik

Blinde und sehbehinderte Frauen verfügen über eine besondere Gabe: einen überragenden Tastsinn. discovering hands bildet diese Frauen zu professionellen Medizinisch-Taktilen Untersucherinnen (MTUs) aus. So qualifiziert, können sie ihre herausragenden Fähigkeiten dazu nutzen, um Brustkrebs frühzeitig zu entdecken.

MTUs ertasten circa 30 Prozent mehr Gewebeveränderungen als Ärzte.





Business models of social enterprises

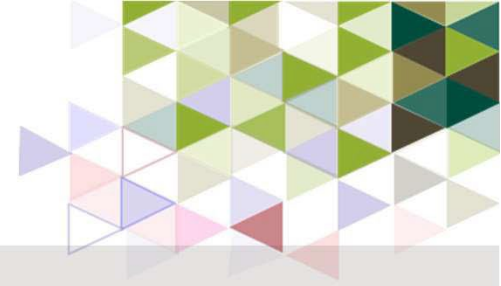
The Fee-for-Service Model

ECOSIA

Ecosia ist eine kostenlose Suchmaschine, die ihre Gewinne aus Werbeanzeigen für weltweite Wiederaufforstung nutzt. Jeder braucht eine Suchmaschine - warum nicht eine wählen, mit der man nebenbei und kostenlos etwas Gutes tut?

Über 200.000.000 Bäume wurden bereits von der Ecosia Community gepflanzt.





Business models of social enterprises

The Low-income Client Model



10

Jahre



6

Tauschbars



3760

Kinder



176

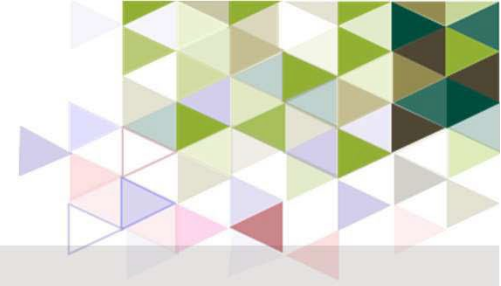
**Bildungs-
Pat:innen**



43000

**Stunden
Lernförderung**

Mach mit und unterstütze unsere Mission: Sprich über Tausche Bildung für Wohnen, spende oder hole die nächste Tauschbar in Deine Stadt. Es gibt viele Möglichkeiten, Teil der Tauschbewegung zu werden.



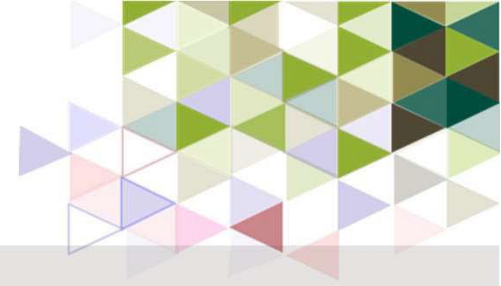
Business models of social enterprises

The Cooperative Model



„SuperCoop – Dein Mitmach-Supermarkt. Wir denken und machen den Lebensmittelhandel neu, um gute, regionale und erschwingliche Produkte in allen Kühlschränken zu ermöglichen. Damit wir das langfristig und nachhaltig tun können, brauchen wir dich! Kaufe in deinem eigenen Supermarkt ein, bestimme mit, was in den Regalen steht und wirke mit in einer tollen Gemeinschaft. Bist du dabei?“





Business models of social enterprises

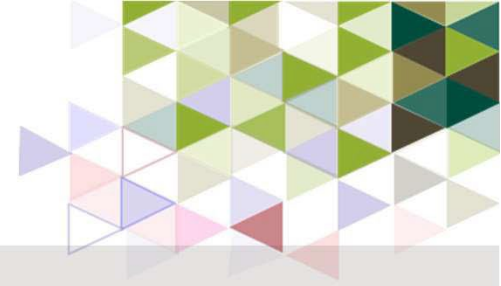
The Market Linkage Model



2.5 Milliarden Tonnen Lebensmittel werden jedes Jahr weltweit verschwendet. Durch den Aufbau und Betrieb einer KI-gesteuerten, globalen B2B-Lebensmittelbörse verteilt SPRK global impact bestens genießbare Lebensmittelüberschüsse effizient um. So werden unnötige CO₂-Emissionen vermieden.

Seit der Gründung 2020 konnten über 3100 Tonnen an Lebensmitteln umverteilt werden.

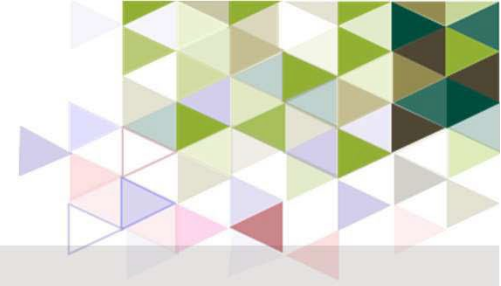




Business models of social enterprises

The Service Subsidization Model

Mein Eindruck: Eher CSR Maßnahme bei konventionellen Unternehmen und Modell für Länder wie USA?
(auch wenn in Deutschland z. B. über Soli-Modelle vorhanden)



Business models of social enterprises

The Organizational Support Model



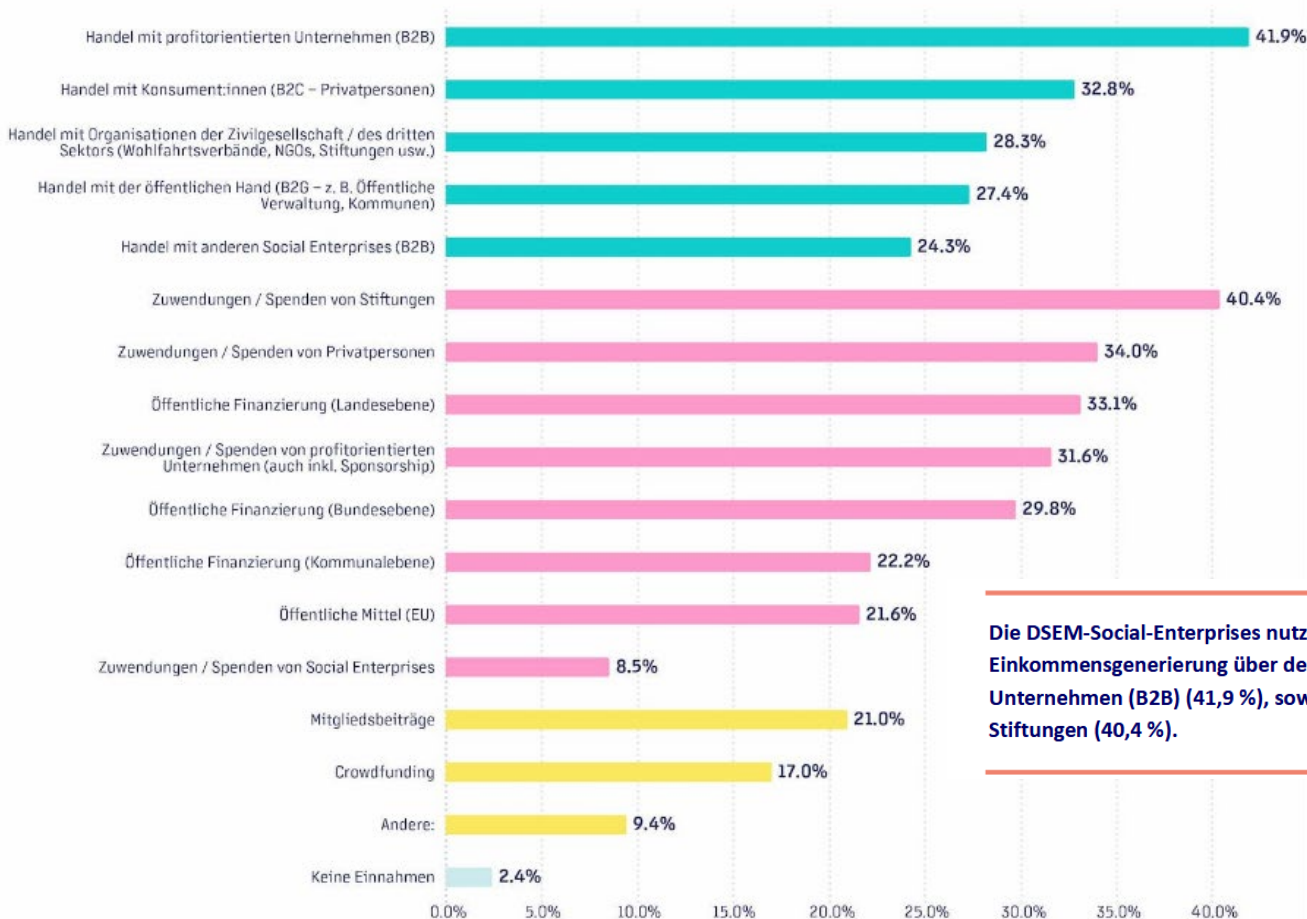
Viva con Agua unterstützt sauberes Trinkwasser weltweit! Mit positivem Aktivismus und jeder Menge Freude arbeitet der gemeinnützige Verein an der Vision “Wasser für alle, alle für Wasser“.

Gemeinsam mit internationalen und lokalen Partnerorganisationen konnte die Bewegung so bereits rund 3,8 Millionen Menschen in WASH-Projekten (Wasser, Sanitär, Hygiene) erreichen, zum Beispiel in Ländern wie Uganda, Äthiopien, Südafrika oder Nepal.

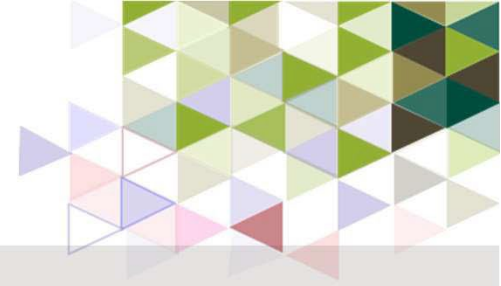


Business models of social enterprises

Was sind die Haupteinnahmequellen Ihrer Organisation? Bitte geben Sie die wichtigsten Einnahmequellen an.

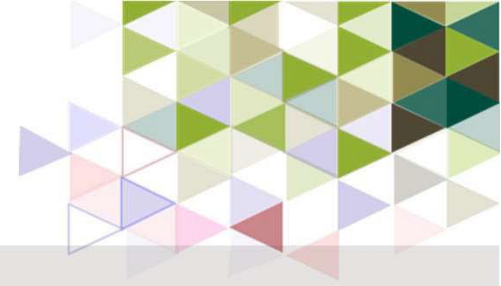


Die DSEM-Social-Enterprises nutzen hybride Einkommensquellen. Am beliebtesten ist die Einkommensgenerierung über den Verkauf von Produkten/Dienstleistungen an Unternehmen (B2B) (41,9 %), sowie die Generierung von Zuwendungen/ Spenden von Stiftungen (40,4 %).



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Differentiation on several levels

Similar terminology – different meaning: A challenge for you?

- We have terminologies, that are often similar or „the same“, but the meaning is different.
- Examples:

Impact orientation

SIP 2, moodle chapter 2.1

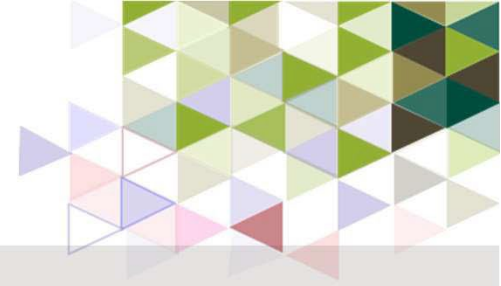
- Societal and ecological situation analysis
- Target groups
- Impact model as solution
- Impact (goals)

Business orientation

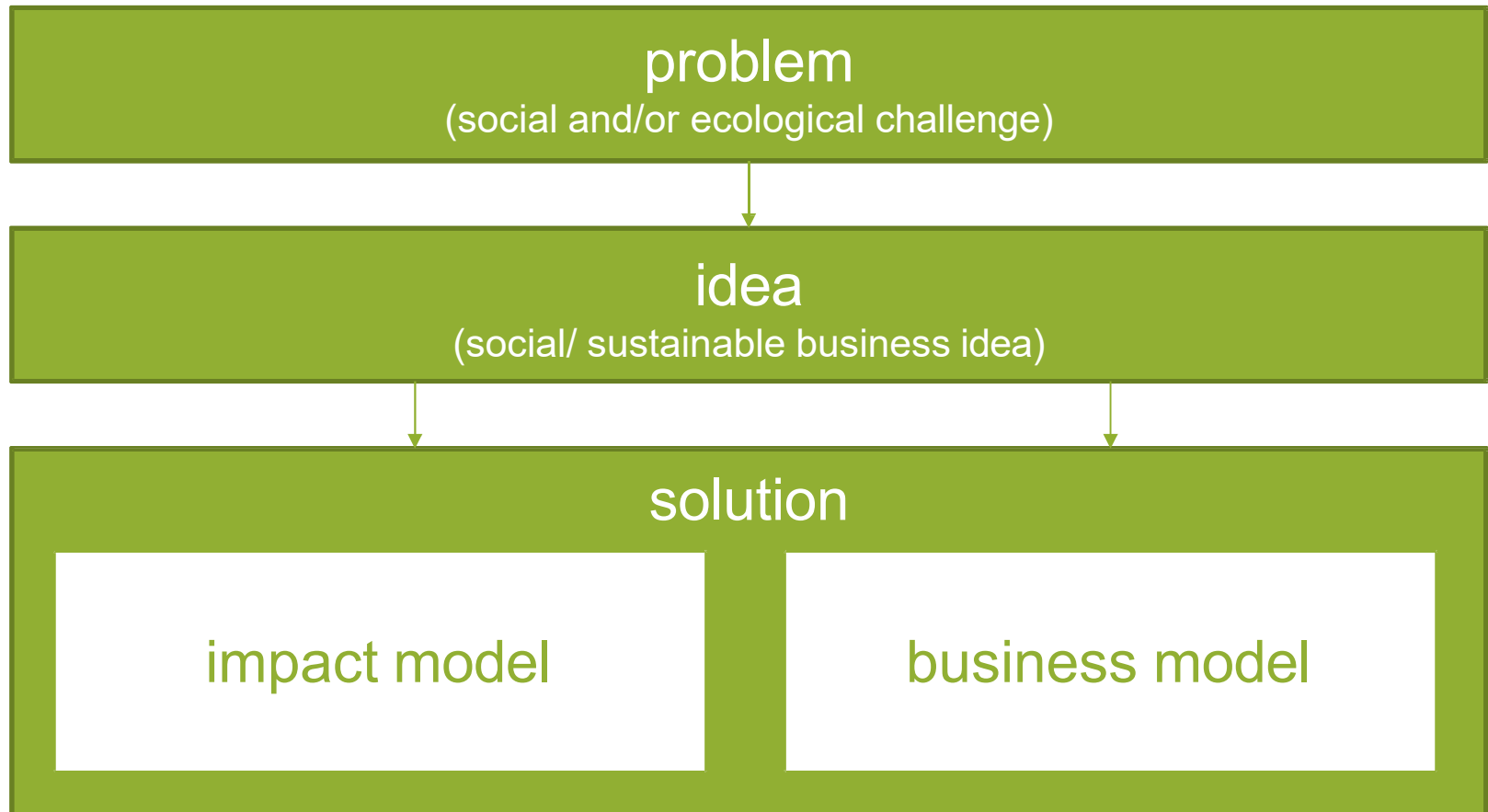
moodle chapter 2.3, 3.2

- Economic situation analysis (market)
- Target groups (client)
- Business model as solution
- Economic goals

- Solution: Differentiation of terms



Differentiation on several levels

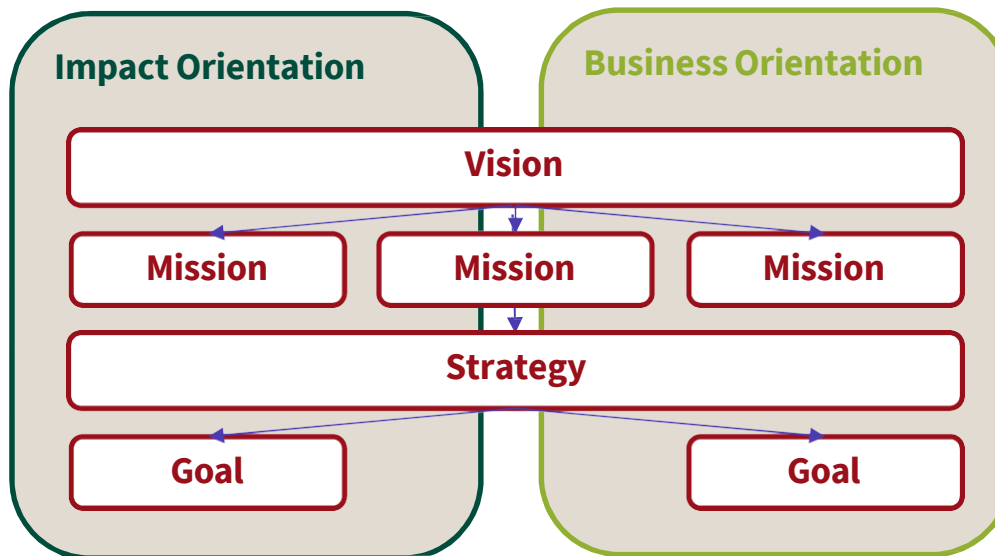


Differentiation on several levels

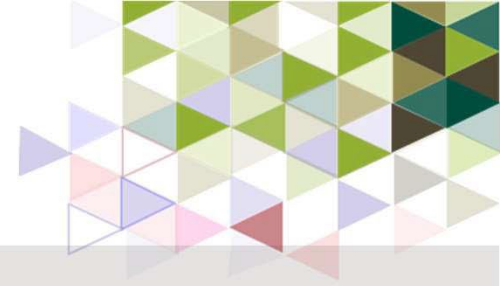
Level: Vision, Mission, Strategy & Goals

Example Quartiermeister: “Our vision is a public good economy for the benefit of all. ... Social projects in the neighborhood benefit from our proceeds. This is what drives our work.”

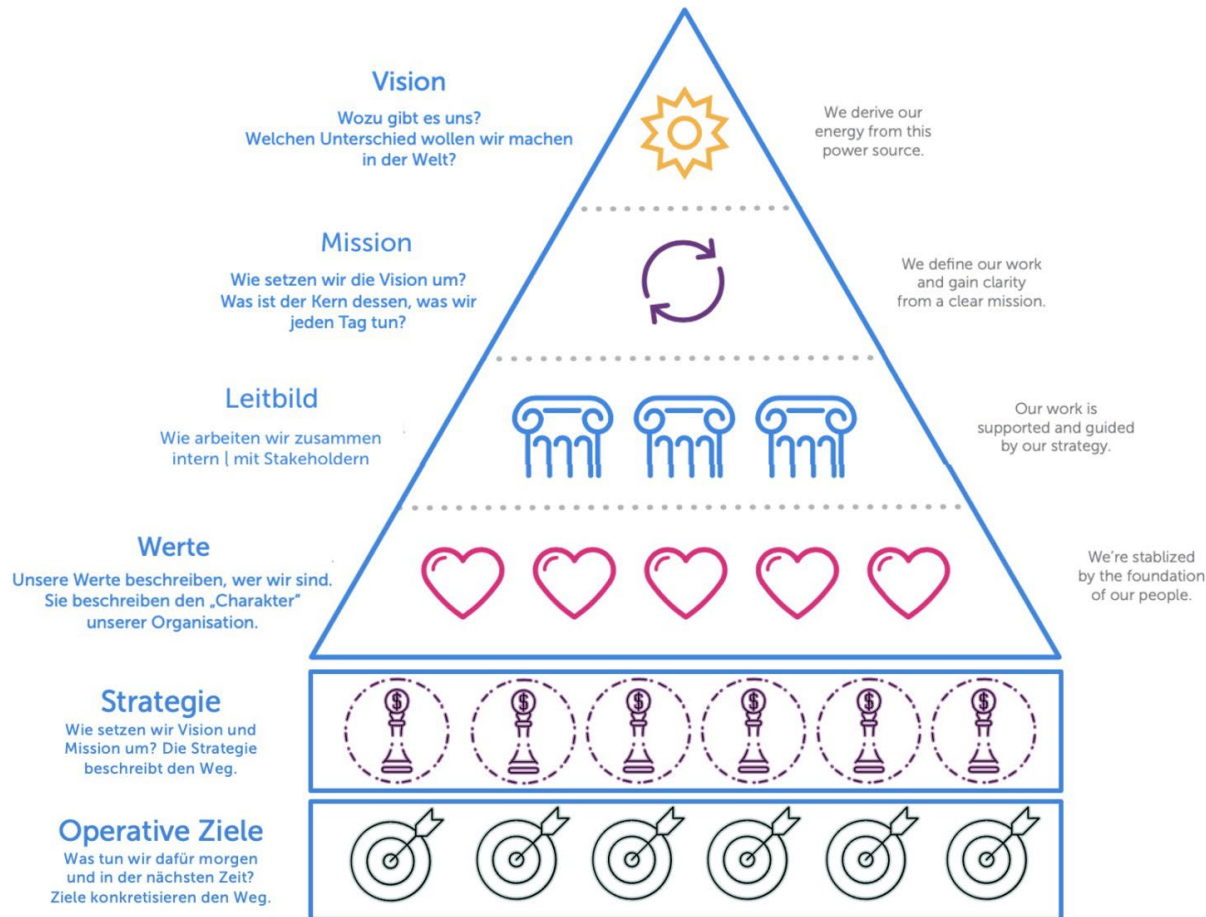
Unsere Vision



- **Vision** (overarching target image) embraces impact and business orientation.
- **Mission** statements (how do we reach the vision) can orient to impact, business or both.
- **Strategy** (decision and plan on way to reach vision & mission in 1-2 years) embraces both again.
- (strategic) **goals** are primarily set to the different orientations.



Differentiation on several levels





Differentiation on several levels

Level: Situation Analysis

Impact challenges

- Key question: What is the societal and/ or ecological challenge?

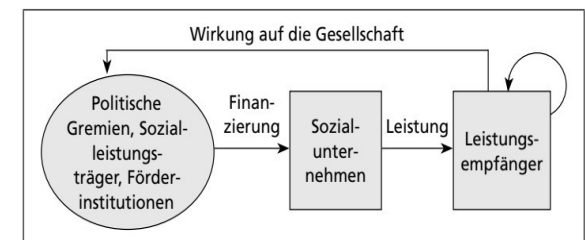
Example Mobile Retter It takes too long with the existing rescue network for a first responder to arrive on the scene. As a result, (too) many people die who could otherwise be saved.

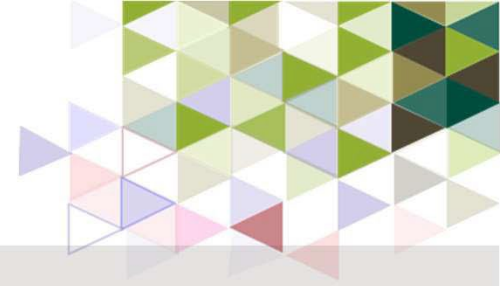


Economic challenges

- Key question: What is the economic challenge?

Example Mobile Retter There are no providers on the market, that support the customers in the public sector with technological health infrastructure solutions.





Differentiation on several levels

Level: Situation Analysis

Impact challenges

- Key question: What is the societal and/ or ecological challenge?

Example Mobile Retter It takes too long with the existing rescue network for a first responder to arrive on the scene. As a result, (too) many people die who could otherwise be saved.

Key questions:

- What are the weaknesses of the rescue network?
- How can those be expressed on a number basis – with help of studies?
- How many people die for this reason?

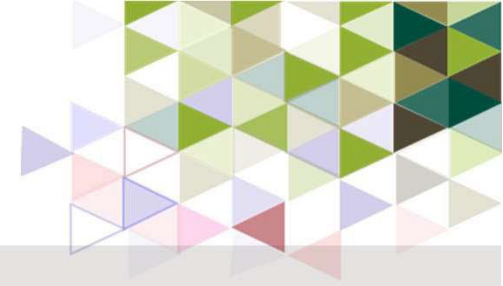
Economic challenges

- Key question: What is the economic challenge?

Example Mobile Retter There are no providers on the market, that support the customers in the public sector with technological health infrastructure solutions.

Key questions:

- What is the revenue in the healthcare technology market for infrastructure?
- How is revenue developing?
- Which competitors are there and which offer?



Differentiation on several levels

Level: Target groups

Impact target group

- Who is the impact target group?
- Who are the beneficiaries?

Example Mobile Retter

- Mobile Retter (people, who save lives and are part of the network)
- People with a heart attack (beneficiaries)
- ...

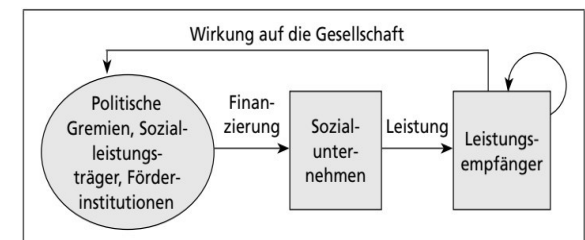


Economic target group

- Who is the customer?

Example Mobile Retter

- Cities, Communities
- Infrastructure providers (?)





Differentiation on several levels

Level: Solution model

Impact orientation

- How is impact created?

Example Mobile Retter

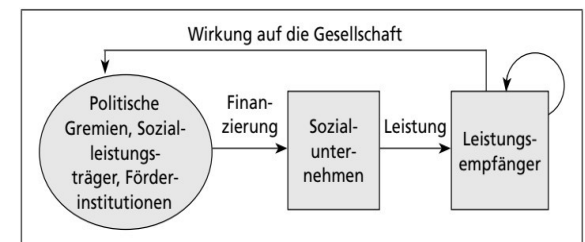
Mobile Retter provides a community of „mobile Retter“ (e.V.). This fills a gap, that the infrastructure currently is not providing. They shorten the time of the rescue chain.

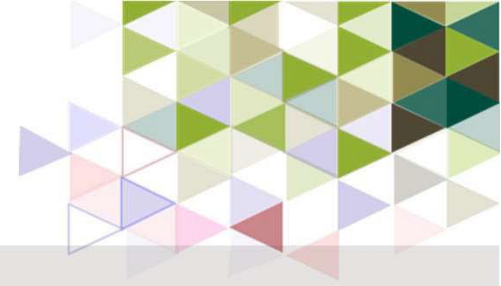


Business orientation

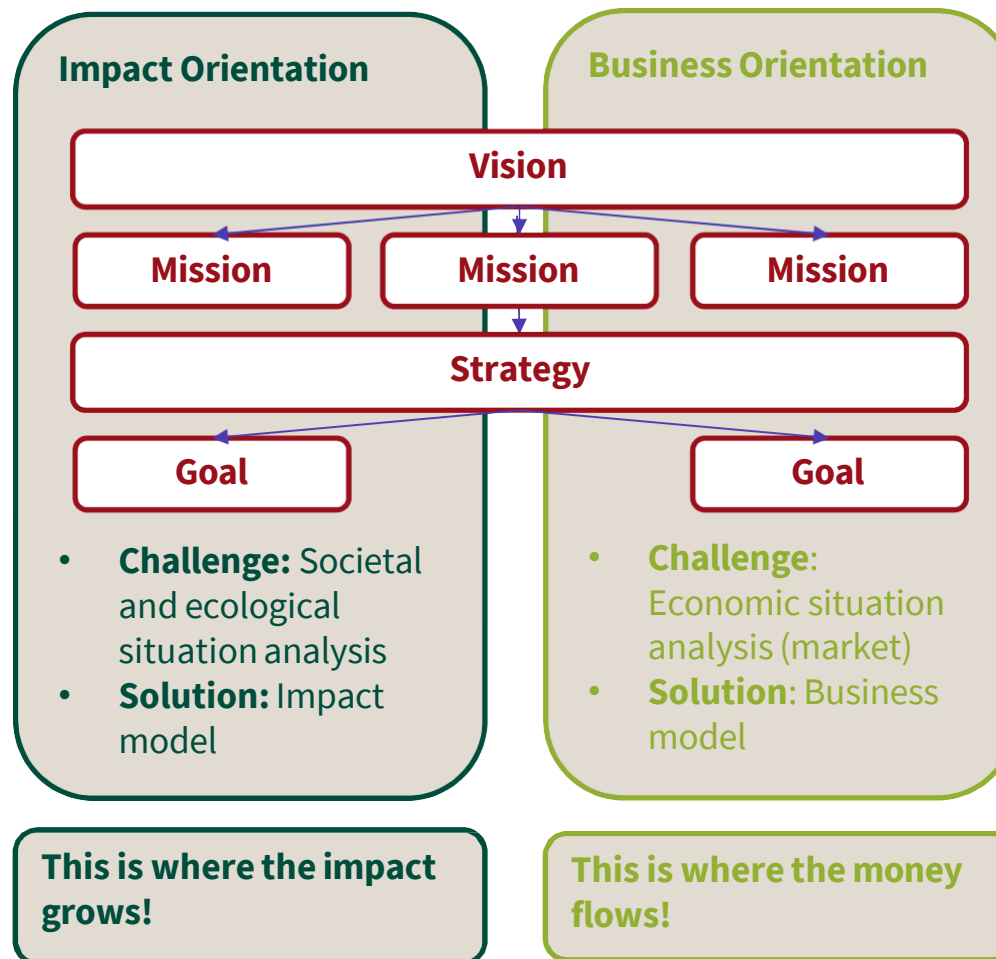
- How is value created, for which a customer pays?

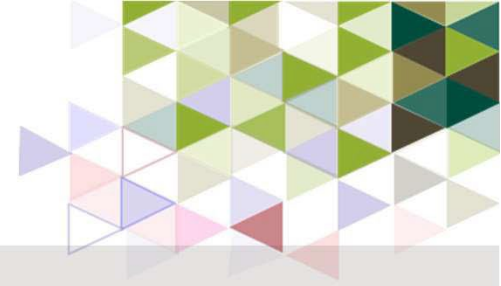
Example Mobile Retter Mobile Retter provides a technological infrastructure (App – GmbH), that is financed by Philantrops, Associations, Communities...





Differentiation on several levels

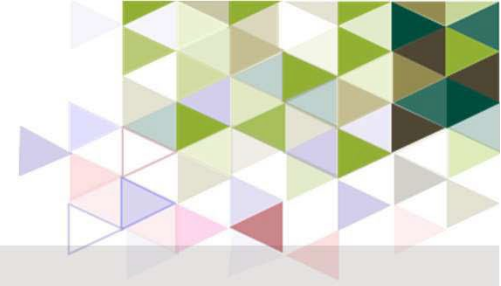




Market & Competition



Photo by [Mael BALLAND](#) on [Unsplash](#)

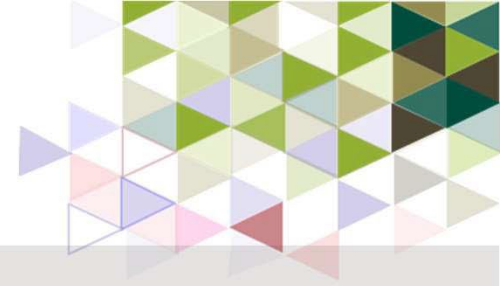


Market & Competition

- Market definition
 - Position: What is actually our market?
- Market description:
 - Market size: How big is the market? (sales/ turnover)
 - Market growth: How is the industry developing?
 - Market potential: How receptive is the market?

Example

The Annual Economic Report 20XX of the German Federal Ministry of Economics and Technology (BMWi) reveals a growth trend for Germany as an industrial location. This is associated with an upturn in the export business and a positive development in competitiveness. The ministry also forecasts an increase in GDP (of 1.7%), a reduction in unemployment figures and rising consumption by private households. The initial situation can be derived for the overall market.



Market & Competition

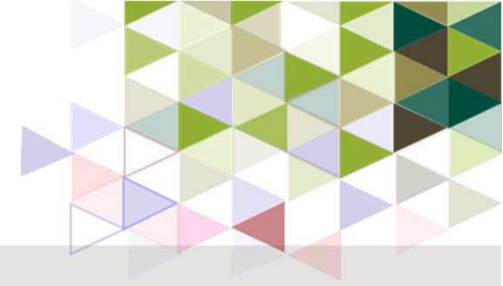
- Market definition
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Example

...

However, industry-specific peculiarities must also be taken into account. SPECTARIS20, the German industry association for optical, medical and mechatronic technologies e V , points to a positive economic development of the industry, which is primarily characterized by an increase in the export ratio.

Specifically in the projector market, the global market volume in 20XX for DMDs will be about US\$2.1 billion ²³, ²⁴. The cost share of DMDs in projectors amounts to approx. 25% of the total projector price This leads to an estimated volume for the worldwide projector market of 8.4 billion US\$ With a cost share of the light source of the projector price of approx. 30%, a market volume of approx. 2.5 billion US\$ Western Europe has a share of 14% or 350 million US\$ of the worldwide market volume. The growth of the projector market amounted to approx. 29% between 2004 and 2006.



Market & Competition

Competitors

- Find and name competitors
- Analyze strengths and weaknesses of competitors, e.g., in terms of sales and turnover, growth, market share, cost position, product lines, target customer groups, or sales channels.

Central question: Who can best fulfill customer benefits today and in the future?

Example

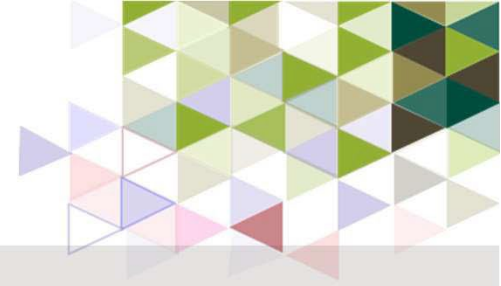
Sunlight Lichtanlagen GmbH

This company is a possible competitor for the application of the LED light source in stage spotlights. They already offer an LED spotlight, but it is based on a different technology.

GAMMA Optics GmbH

This company is established in the market for DLP projection units. They already have an LED-based projection system for rear projection systems in their. The projector optics is most likely based on a development of the company GAMMA Optics GmbH.

Hersteller	Zielgruppe	MA Deutsch-land Projektor-markt	Produkt	Preis ³¹
Shobana Projection & Display Technology (PDT)	End-verbraucher	10% ³²	LED-Beamer (FF1 LED PROJEKTOR 800X600 SVGA)	898,86 €
Songma Electronics	End-verbraucher	11% ³³	LED-Beamer (SP P 300 ME Pocket-Imager DLP-Projektor)	874,99 €
3 Diamonds Electric	End-verbraucher	n.n.	LED-Beamer (Pocket Projector PK10)	760,14 €
Keenoo	End-verbraucher	12,85% ³⁴ (Marktführer 2004)	Nicht-LED-Beamer (XR 10 S HDTV DLP-Projektor)	590,90 €
CEO CORP.	End-verbraucher	13,6% ³⁵ (Marktführer 2006)	Nicht-LED-Beamer (VT480 LCD SVGA 800X600 Projektor)	626,63 €



Differentiation on several levels

Exercise (45 min) in SIP Teams

- Please prepare 1 single slide, where you differentiate the following aspects for your SIP (impact & business)

	Impact orientation	Business orientation
Strategy	What is your impact strategy?	What is your business strategy?
Goals	Which impact goals do you define?	Which economic goals do you define?
Situation analysis	What is the societal/ ecological challenge?	What is the economic challenge (market)?
Solution model	What is your impact model?	What is your business model?
Target groups	What are your target groups?	What are your (clients) target groups?



Outlook

Workshops (apply & create)

1. 26/05: Social Impact Measurement (Julia Kaesemann/ ex Phineo – Präsenz)
2. 27/05: Business model (Génica Schäfgen / Ecosia – online ab 9h!)
- 3. 20/06: Marketing (Marc Tort Bielefeld / Spatz in der Hand – Präsenz)**
4. 30/06: Legal Form / Organisation (Nancy Frehse/ Oktopulli – Präsenz)
5. 01/07: Finance (Lars Jäger/ GLS Bank – Präsenz)