

Video Transcript: “The Business Model Theatre”

<https://youtu.be/LLKqthJOdN8>

FEMALE_1: [00:00:00] By now you probably know the business model canvas pretty well. With nine basic building blocks, you can describe any business model in a more tangible, holistic, and visual way.

To better understand the dynamics of the business model canvas, we can use the metaphor of a theater. Imagine the right hand side of the canvas as the front stage of your business model, just like the front stage of a theater that is visible to the audience. The front stage is where you interact with your customers, clients, and users. Like in a theater, if we go behind the curtains, we end up backstage. The backstage of your business model is what makes the show in the front possible, but most customers won't see who's back here or what they're doing. The front stage is what represents value to your customers, clients, and users, and what they're willing to pay for. The backstage makes [00:01:00] it all possible and it drives cost.

At the end of the day, the equation is pretty simple. A sound business model requires your revenues at least as big, and hopefully much bigger than your costs. That outcome is called a profit. Now that you've got a handle on the business model theater, will you be able to put on a show?