The Sustainable Business Model Design







Green Future Club in cooperation with



A WARM WELCOME Overview



"We have the platform to foster the next generation of sustainable creators and connect them with experienced industry experts."

Nils Bader Green Future Club Initiator

Green Future Club

Forging and connecting sustainable market changers

The Green Future Club aims to replace existing products with sustainable, better products. Since 2013, we have worked with more than 6000 green entrepreneurs, designers and students from all over the world through the **Green Product Award** and the **Green Concept Award**.

With the non-profit **Green Future Club**, we offer members a platform for an active and practice-oriented exchange around green innovations, specifically promote young designers and ensure the visibility of excellent sustainable design concepts for sustainable products and services.

Thanks to the support of the IKEA Stiftung, students and graduates can participate in the Green Concept Award free of charge and of course <u>they</u> <u>retain all rights</u>.

The Sustainable Business Model Design Toolkit will help participants to (further) develop their concept. Starting in July, we will also offer free 4-week "Green Cells" program with workshops and Q&A sessions (Zoom). After submission, we will actively support selected participants in improving their presentations and communication.

We look forward to welcoming you on board!



"We are pleased that we can support the young participants of the award at exhibitions and the diverse publications."

Peter Takacs IKEA Stiftung Managing Director





SUSTAINABLE BUSINESS MODEL DESIGN



The Sustainable Business Model Design was developed to support the participants of the Green Concept Award in the elaboration of their sustainable ideas.

This step-by-step process guides you in developing concepts for green products or services and presenting them to partners, supporters or investors. It was developed by the Green Future Club initiator, Nils Bader in cooperation with the German Institute for Sustainabilityand Quality management.

On the following pages, we will give you an introduction to the process and its 8 steps, including some exercises and tools to deepen your journey. In the first seven steps, partial results are developed and documented, which are used in the last step to create your presentation.

Good luck building your green concept with the toolkit!









- 1. Step1: Frame
- 2. Step 2: Target group
- 3. Step 3: Ideation
- 4. Step 4: Value proposition
- 5. Step 5: Product & service design
- 6. Step 6: Team & stakeholder
- 7. Step 7: Strategy
- 8. Step 8: Presentation









"Frame your work, otherwise you will get lost in complexity later."

In the first step you should focus on a special problem or an opportunity. This helps you to develop a deep and unique solution. Try to be clear and don't hesitate to make it simple to keep track during the following steps. Map out the anatomy of cause and effects around the issue to address.



WHICH PROBLEM DO YOU WANT YOU ADDRESS?

Problem tree analysis

Think about a situation you know or experienced yourself. Identify the negative aspects of this situation. Write down their "causes and effects" and draw them in a problem tree. Try to identify the right problem and define right key question and its environment. The key question will have sub-questions, or sub-issues, but there is only one all-encompassing question.

Further explanation Template

Documentation

Write a short introductory statement to your problem.







"If you don't have a customer, whose needs you can please, you will only produce for exhibitions and waste your time."

Know your target group and special needs and attitudes! Define who is affected to your problem most and needs a better solution. Start with a general method. Focus on one group, which has relevant potential. Do a short preresearch of potentially existing solutions for your problem. If so, reframe problem. If not: get more insights for a clearer picture of your target group by defining personal representatives of your target group (personas).



WHO IS MY AUDIENCE AND HOW DO THEY TICK?

People and Connections Map

The People and connections map is a quick and simple way to visualize exactly who you are trying to reach and how. It gives you an overview of all the different individuals and organizations involved in what you do. It allows you to develop a clearer picture of how all the different people and organizations relate both to your work and each other.

Who is affected by your problem?

<u>Template</u>

Persona

One solution does not fit all. Creating a profile of your target customer will help maximize your efforts and concentrate your energy on fulfilling the right desires and needs of your future customers. A well constructed persona can help create focus groups, interviews or surveys to test out your assumptions in real life.

Persona Creator

Documentation

Create one page to introduce your target group. Visualization is key.







"I want to generate new ideas by thinking differently."

Fast idea generator, inspired by Nesta

Now its time for an open collection of ideas, based on the customer insights. Arrange a good atmosphere, make sure you have enough space and an opportunity to note all your ideas. Align your ideas according to the triple bottom line (people, plant and profit) to reflect your sustainable concept.



GENERATE IDEAS

Fast idea generator

Brainstorm on post its product/service solutions to your problem. To spice up these ideas, you need to start thinking differently within a system. Select out of a range of approaches like *inversion* – turning common ideas upside down, *extension* – extending exiting offers, *subtraction* – taking something away, ...Then define a normal rule for the approach, afterwards find ideas to bend, break or stretch the rule.

Further explanation

Triple bottom line (TBL)

The pillars of the Triple Bottom Line are people, planet and profit. It is about testing your ideas to see if it can be financed (non-profit is also possible), benefit people (society, users, ...) and improve the environment. Draw three overlapping circles and arrange your ideas here. Discuss your impression, which combination (values) is most important to you? Adjust if necessary. Goal: Choose an idea that affects all three areas or has at least one combination of environment/profit or people/profit.

Further explanation

Documentation

Take and describe in a half page one idea from the triple bottom line, which has the largest impact in all the three areas or at least has a combination of planet/profit or people/profit.







"Sustainable development is the pathway to the future. It offers a framework to generate economic growth, achieve social justice, exercise environmental stewardship and strengthen governance."

Define a short mission statement (value proposition) – based on your idea - which clarifies what you are heading for. Check the market if your idea already exists and for its competitors. Then "test" your idea on people with the VPC based on your created persona and examine touchpoints with your mission. Revise your idea and its values into a final mission statement.



HOW TO GENERATE THE MOST VALUE?

Brief Market Analysis

Copy your value proposition into a search engine and search for products and/services that may already exist. This will give you impulses and ensure that you do not develop a duplicate. If you find existing solutions that you don't think are good enough, you can still shape your idea furhter in the next step. Otherwise, select a different idea from step 3 and rerun this process again.

Value Proposition Canvas (VPC)

With the method you develop a framework to understand the target group even better and to create more added value. The persona created beforehand is a valuable preliminary work for this process.

Video explanation Template

Documentation

Work out your value proposition and describe the product/service to be developed. Note down up to three competitors on half a page.







"See new sources in what others define as trash and prepare your products leftovers to be a new source"

Now it's time to find layouts for your solution that meet the customer's needs and consider the life cycle of the product. Please think about raw materials, production, transport, marketing & packaging, the use phase and what happens to the product after "life".



DESIGN A CIRCULAR PRODUCT OR SERVICE

Product Life Cycle

Collect all the different product/service attributes and outcomes along your product/service's entire lifecycle. Then consider its positive ecological, social and economical impacts.

<u>Lifecycle analysis & Impacts table</u> Extra reading: <u>Sustainable Development Goals</u>

Sustainable Design Cards

Learn in a playful way about sustainable design strategies through the whole product/service lifecycle. Iterate your creative process and select the best ones that align with your mission.

Access cards here

Documentation

Create two pages with sketches or renderings of your product/service. Note down your concept and its positive impact based on the impacts table.







"Small groups of people can have a really huge impact."

Larry Page

You need partners with additional knowledge and possibilities. It doesn't matter if you are a designer, economist, engineer or marketing expert. Be clear about what you want to focus on. Then it will be easier to think about who else you need. An initial team portrait and pointing out who is still missing - in the founding team or as an external partner - helps here.



TEAM & PARTNER

Team- SWOT Analysis

The central questions are: What is my role in this project? And who do I need in the process? The SWOT analysis provides a quick overview of current strengths, weaknesses, opportunities and threats.

Further explanation

Small Stakeholder Analysis

Think about who could have the greatest influence on the success of your project. Go the extra mile and create an overview of the stakeholders who will significantly influence your project (manufacturers, certification bodies, banks, communicators,...). Describe which of these could contribute to the success of the project as partners and how, and what advantages this could have for the partner(s).

Further explanation

Documentation

Create a page with a portrait of you and, if applicable, team members and one/two external stakeholders, the partners (existing or needed).









"In a world that changing really quickly, the only strategy that is guaranteed to fail is not taking risks."

Mark Zuckerberg

Now it is time to plan the next steps. Write an overall plan and structure it in several modules. Describe the activities to bring your product or service to the next level. Focus at least on market entry and very roughly costs / revenues.



YOUR NEXT STEP

Business Model Canvas (BMC)

Within the former steps you have already answered the following fields of the canvas: value proposition, partners, key resources and customers. Now you can go for the remaining fields of the canvas. See it as an iterative process and feel free to jump from field to field. A BMC serves as a summary and overview that is constantly reviewed and updated when something changes in your previous steps.

<u>Template</u>

Documentation

Revisit and condense all your previous documentations into the BMC template then write down the most important next steps.









"I think life on Earth must be about more than just solving problems... It's got to be something inspiring, even if it is vicarious."

Elon Musk

Last step: Transfer the results of your work into your presentation to persuade your audience. Keep it simple and short and test it beforehand to see if others can follow your idea. Give a clear, optimistic vision about the future of your solution. Think about your audience's special focus.

WHAT DO I NEED TO KEEP IN MIND WHEN PRESENTING?

General set-up (AIDA):

- 1. Get **Attention** for your topic
- 2. Make the audience Interested in your approach
- 3. Raise **Desire** to join your project
- 4. End up with a clear call to Action towards your audience

It is a matter of personal style how you fill your presentation, but there is nothing more boring than long blocks of text that you read out to your audience. Enrich telling your story with photos, graphics, videos. You are not presenting for yourself, but for your audience who have specific questions!

Documentation

Create a tailored presentation/pitch deck with 12 chapters.

Follow our **Presentation template**. This is where most of the documentation from the first 7 steps flows in and is supplemented/reworded. You can opt for a simple **product/service presentation** or a **funding pitch**.

TO THE PRESENTATION TEMPLATE!









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