

# TELOS

## Design Thinking & Social Business Model Canvas (SBMC)

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 Hochschule  
für Wirtschaft und Umwelt  
Nürtingen-Geislingen



SAPIENZA  
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LE:NOTRE *Institute*  
Linking Landscape Education, Research and Innovative Practice



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d'Architecture  
La Cambre Horta



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# PEOPLE, LANDSCAPE, SUSTAINABILITY

A Handbook for Community Innovation Promoters



DIRK FUNCK, BEATA DREKSLER, ELLEN FETZER  
SUPPORTED BY ANNA SZILÁGYI-NAGY

**Link to free ebook / pdf:**  
<https://cuvillier.de/de/shop/publications/8827-people-landscape-sustainability>

# Our case for today: Wörth park in Nürtingen – current situation



It is a plot of land in the flood protection area near the city centre of Nürtingen, directly on the Neckar. It is largely owned by the city of Nürtingen. There is an urban gardening initiative that has – temporarily – been granted permission to use part of the property. Today, the entire site also includes a rowing club, a cross-country track for bicycles, a playground, a wooded area and parking spaces. Now the idea was born to create a coherent city park here.

# „How might we ...?“-question“ – Wörth Park



**How can we .....**  
{Audience/User}

**support .....**  
{use verbs; describe the challenge}

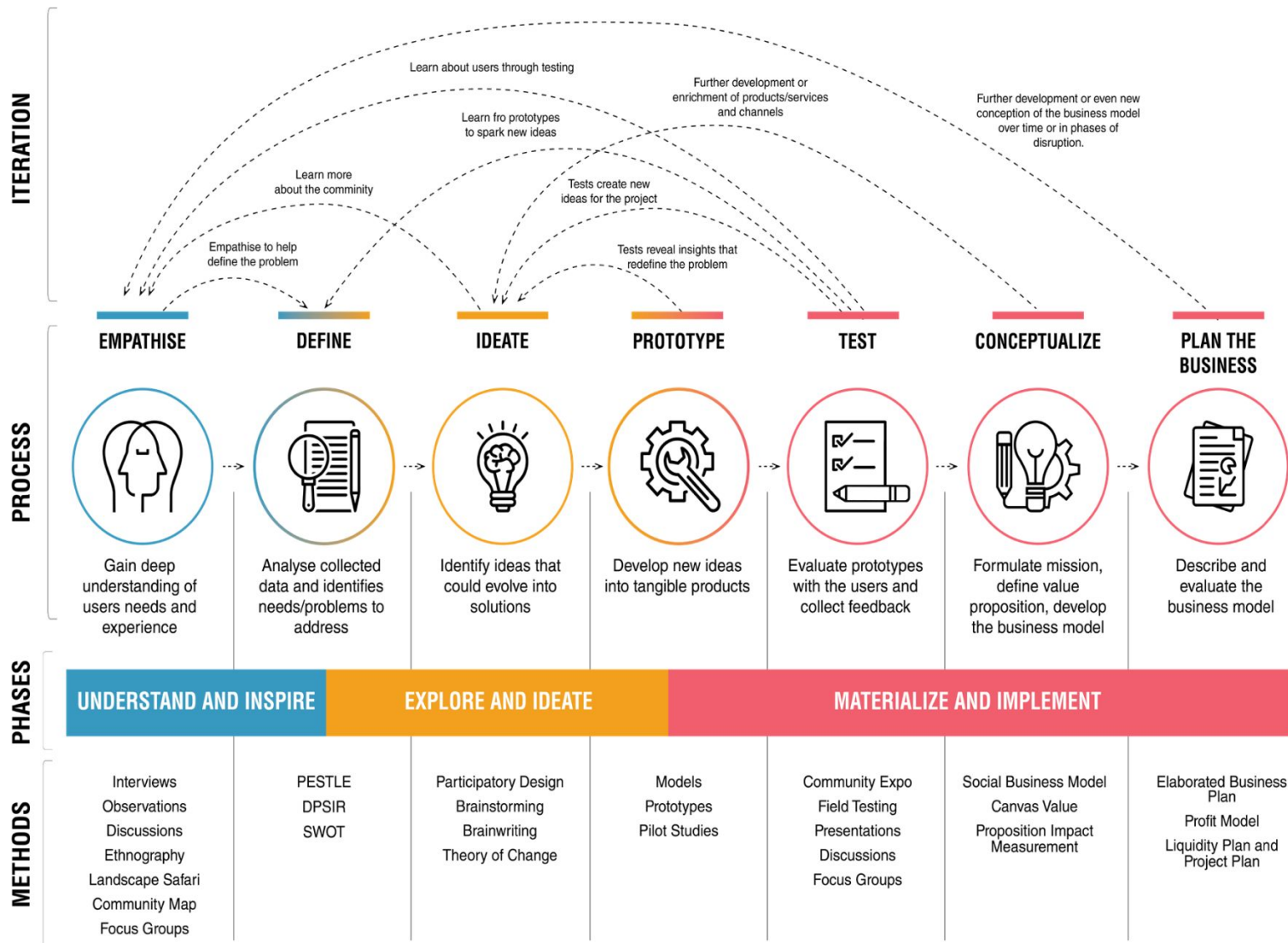
**so that .....**  
{what added value is created for the target group}

How can we support people of Nürtingen, especially the **neighborhood of Klein-Tischardt and the inner city**

by **providing** them with an **vivid and inclusive public spaces**

so that **people and nature can interact by way of sport, educational, recreational and agricultural activities.**

# Process model for the development of a social enterprise



Funck et al.,  
2023, p. 36.

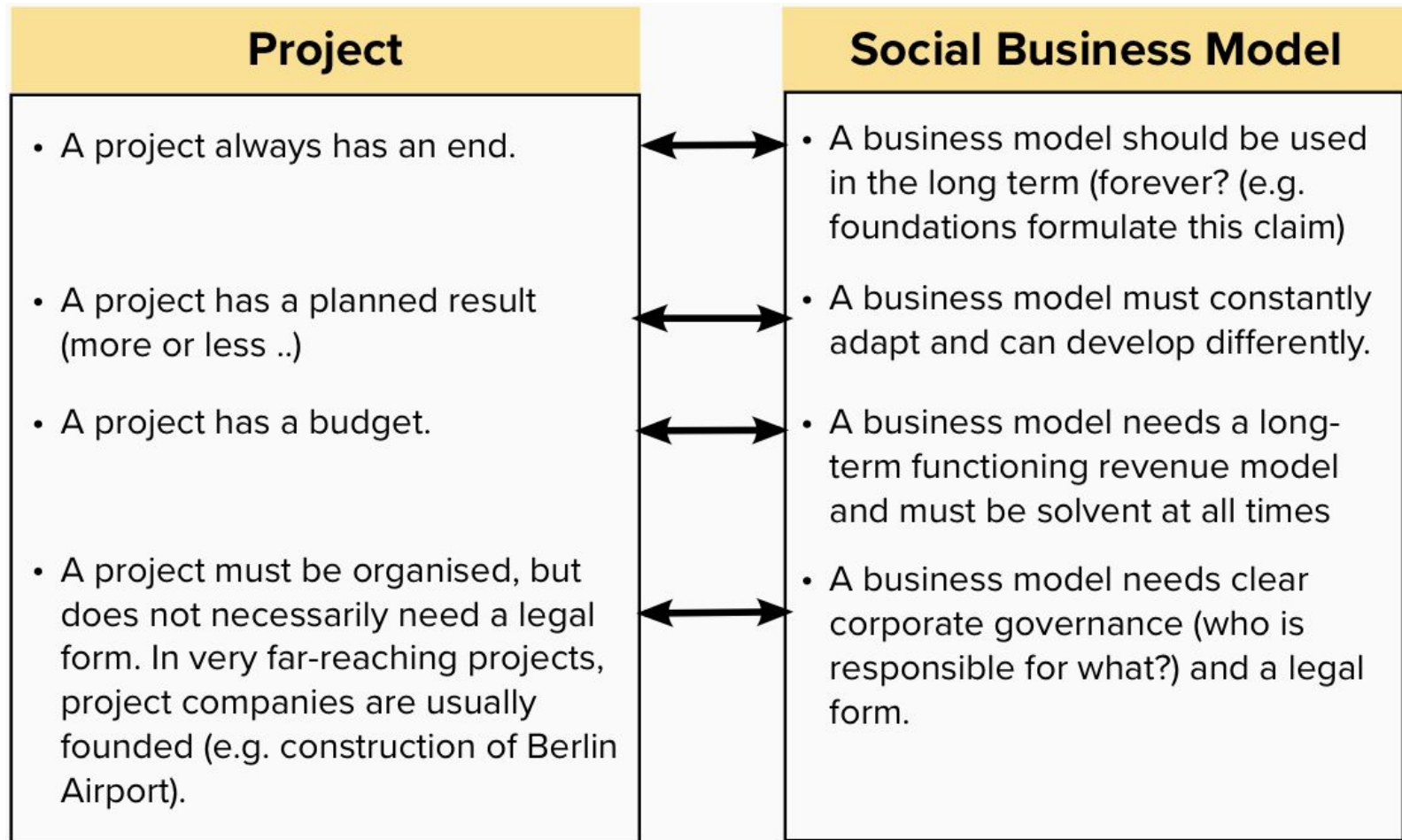
# Step 6: conceptualize

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Summarize the collected ideas in a concept. It is a model that summarizes the essential features and key components of the planned solution. It is a detailed description of the prototype in order to better check the feasibility.

# Project vs. Social Business Model

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# A business model for a park?

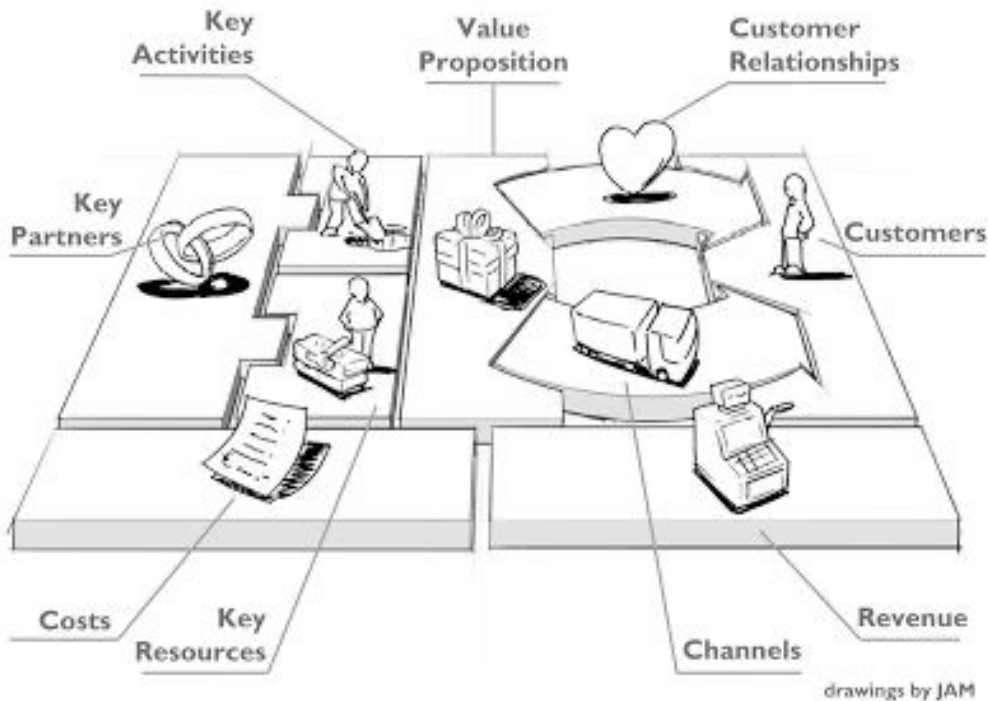
Designing and, if necessary, creating a park is a project. But to operate a park on a permanent basis, we need a business model. What aspects need to be regulated? What questions need to be answered? Please post your ideas in the chat.





# (Social) Business Model Canvas: Definition

- A social business model is the way a business generates, provides and retains value. In other words, how we **create and sustain** impact for consumers and beneficiaries
- The Social Business Model Canvas is a scheme in which we find the essential elements that constitute any business model.



## Based on:

Osterwalder, A., Pigneur, Y., Wiley, J. & Sons, 2013.

„Business Model Generation is a handbook for visionaries, game changers, and challengers striving to defy outmoded business models and design tomorrow's enterprises.“

# Functions of a Business Model Canvas

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to **describe** the business model



to **analyze** the business model



to **improve** the business model



to **inspire** innovations for the business model

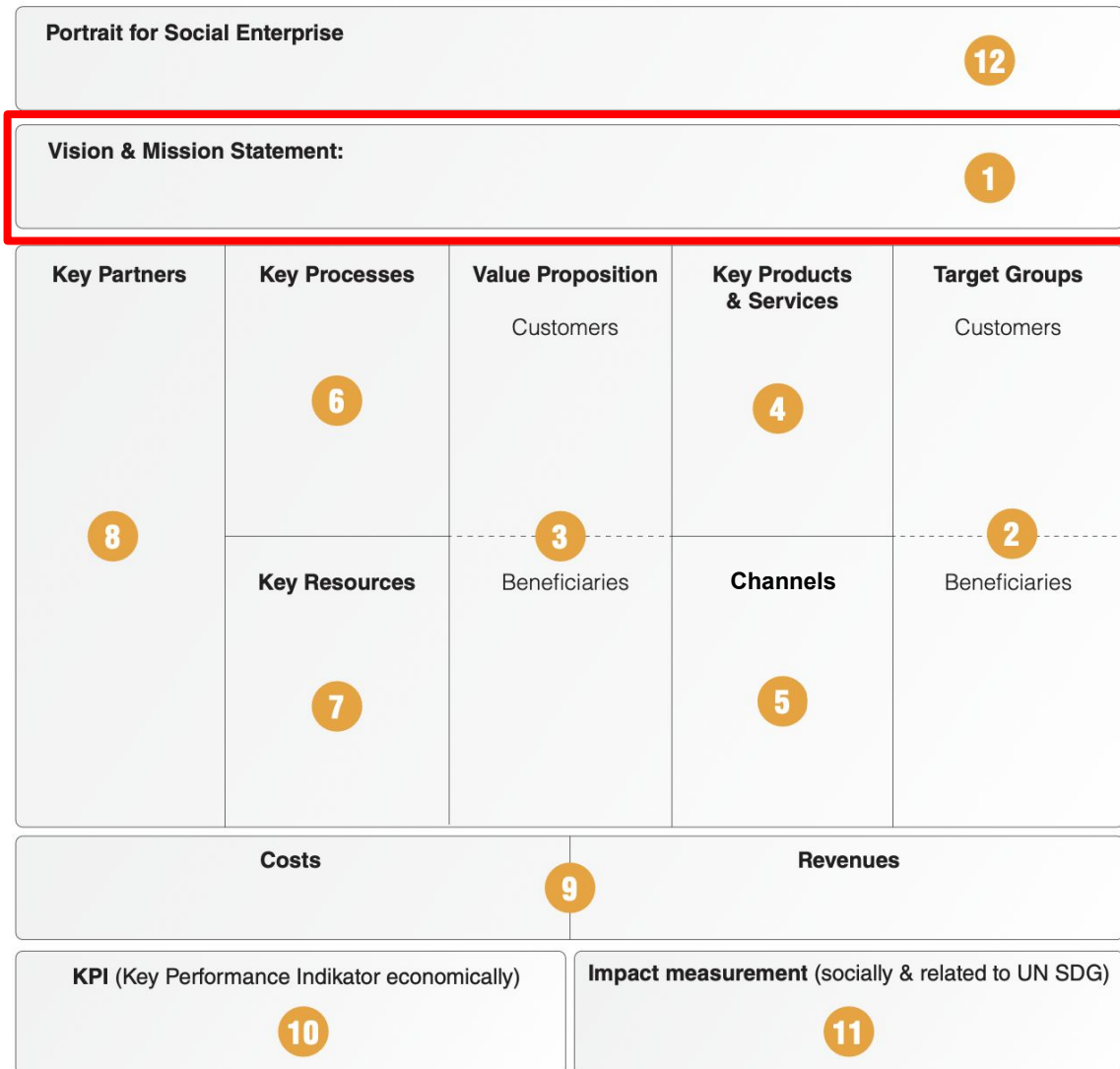


In addition it serves as a **project map** and helps to structure change-processes. Thereby it gives orientation for all involved people while planning and realizing projects

# Social Business Model Canvas (SBMC) – conceptualize

<b>Portrait for Social Enterprise</b>				
<b>Vision &amp; Mission Statement:</b>				
<b>Key Partners</b>	<b>Key Processes</b>	<b>Value Proposition</b> Customers	<b>Key Products &amp; Services</b>	<b>Target Groups</b> Customers
	<b>Key Resources</b>	Beneficiaries	<b>Channels</b>	Beneficiaries
<b>Costs</b>			<b>Revenues</b>	
<b>KPI</b> (Key Performance Indikator economically)			<b>Impact measurement</b> (socially & related to UN SDG)	

# Social Business Model Canvas (SBMC) – the order



# Mission vs. Vision

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	<b>Mission Statement</b>	<b>Vision Statement</b>
<b>About</b>	A Mission statement talks about HOW you will get to where you want to be. Defines the purpose and primary objectives related to your customer needs and team values.	A Vision statement outlines WHERE you want to be. Communicates both the purpose and values of your business.
<b>Answer</b>	It answers the question, “What do we do? What makes us different?”	It answers the question, “Where do we aim to be?”
<b>Time</b>	A mission statement talks about the present leading to its future.	A vision statement talks about your future.
<b>Function</b>	It lists the broad goals for which the organization is formed. Its prime function is internal; to define the key measure or measures of the organization’s success and its prime audience is the leadership, team and stockholders.	It lists where you see yourself some years from now. It inspires you to give your best. It shapes your understanding of why you are working here.

# Vision

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The starting point for formulating a mission is the vision of an organization.

The vision describes what should be different or better at a point in the future or what goal should be achieved.

In social enterprises, the focus is on overcoming challenges of a social or ecological nature, which has motivated and inspired the founders.

The vision thus answers – if possible, in one sentence – the question of which image of the future to strive for.

For example, Jimmy Wales, co-founder of **Wikipedia**, formulated the following vision:

**“Imagine a world in which every single person on the planet is given free access to the sum of all human knowledge.” (Wales, 2022)**

# Elements of a Mission

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- **What do we do (purpose)?** What is the business idea, the business model, the raison d'être of the company?  
**Who are we doing it for?** Who are our target audiences in the market? Who do we want to reach with our products or our services?  
**How do we do it (offer)?** What is our unique approach? How and why do we make exactly this offer to our customers and other stakeholders?  
**What value do we create?** Tangible and intangible values.

## Wikipedia

**Vision:** Imagine a world in which every single person on the planet is given free access to the sum of all human knowledge.

**Mission:** "Our mission is to empower and engage **(purpose)** people around the world **(people)** to collect and develop educational content under a free license or in the public domain **(offer)**, and to disseminate it effectively and globally **(values)**."

# Vision for the Wörth park «Eco paradise»

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‘Eco Paradise’ is an environmentally sound interactive space where people can be a part of the nature at the Neckar in Nürtingen .



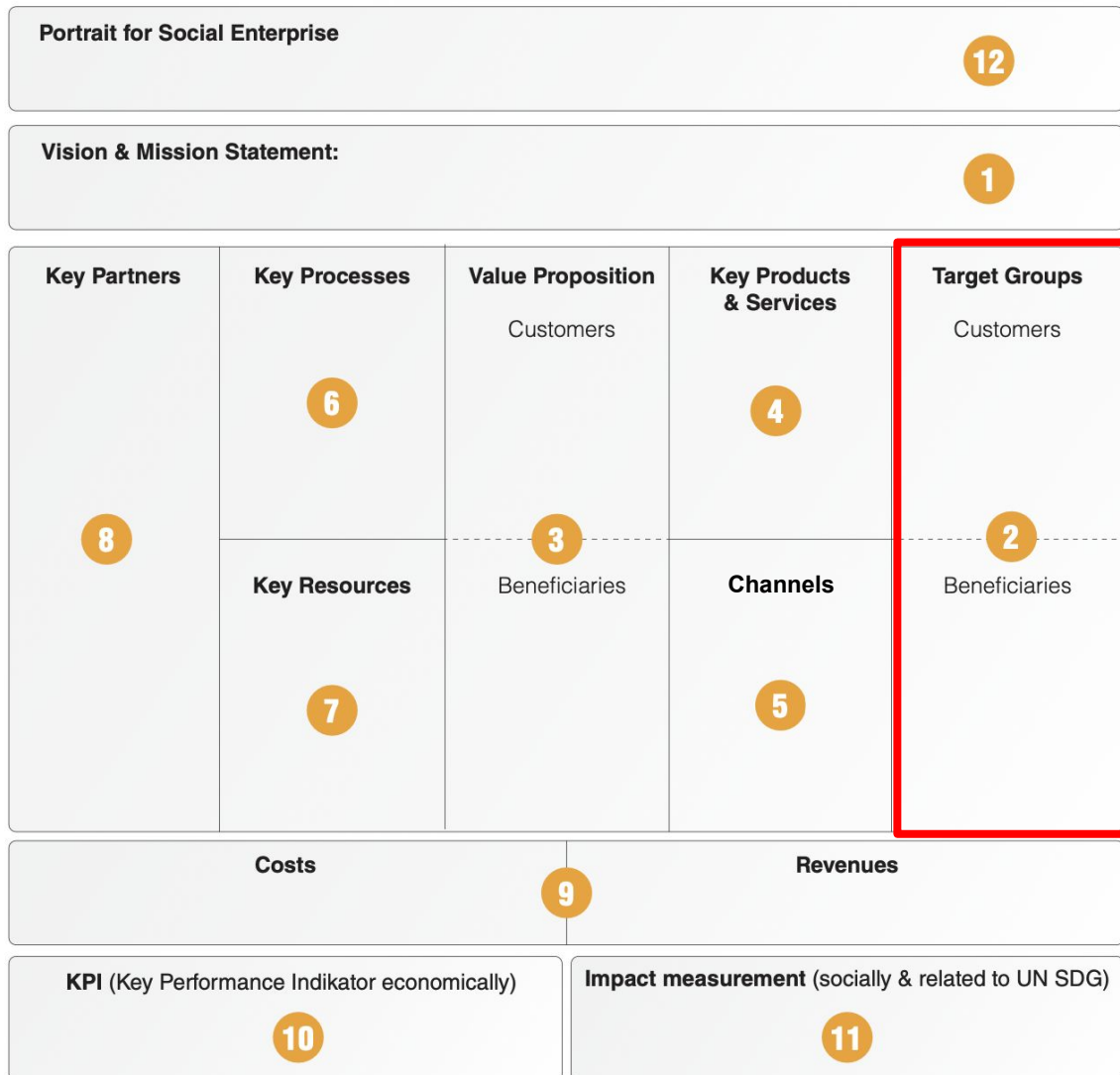
# Mission for the Wörth park «Eco paradise»

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With 'Eco Paradise' we provide intermediate and inclusive spaces where people and nature interact by way of sport, educational, recreational and agricultural activities. With respect to the ecological necessities intergenerational people can be a part of the whole system for the revitalization of Nürtingen.



# Social Business Model Canvas (SBMC)



# customers & beneficiaries

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- **Customers** are those persons who purchase something. Customers are one and could be even the most important source of income for a company. At the same time, all companies and organizations operating in the economic cycle are competing to a greater or lesser extent for commercial or private customers and their available budgets for the purchase of products and services.
  - buyers of products or services (companies, end consumers)
  - public institutions that assume costs for social services provided or distribute subsidies (e.g., publicly funded women's shelter).
  - services can be provided to beneficiaries for somebody else pays (parents pay for the care of their disabled child).
- **Beneficiaries** are those persons or institutions who benefit from the social enterprise's performance without having to pay anything for it themselves.
  - This often involves socially disadvantaged groups of people or individuals (e.g., in issues of youth unemployment, fair trade, or integration projects).
  - Businesses that have an impact on the quality of life of people in local or regional areas such as neighborhoods, communities or cities are also conceivable.
  - In the case of environmental protection-related business models, the environment itself and subsequent generations can also be among the beneficiaries

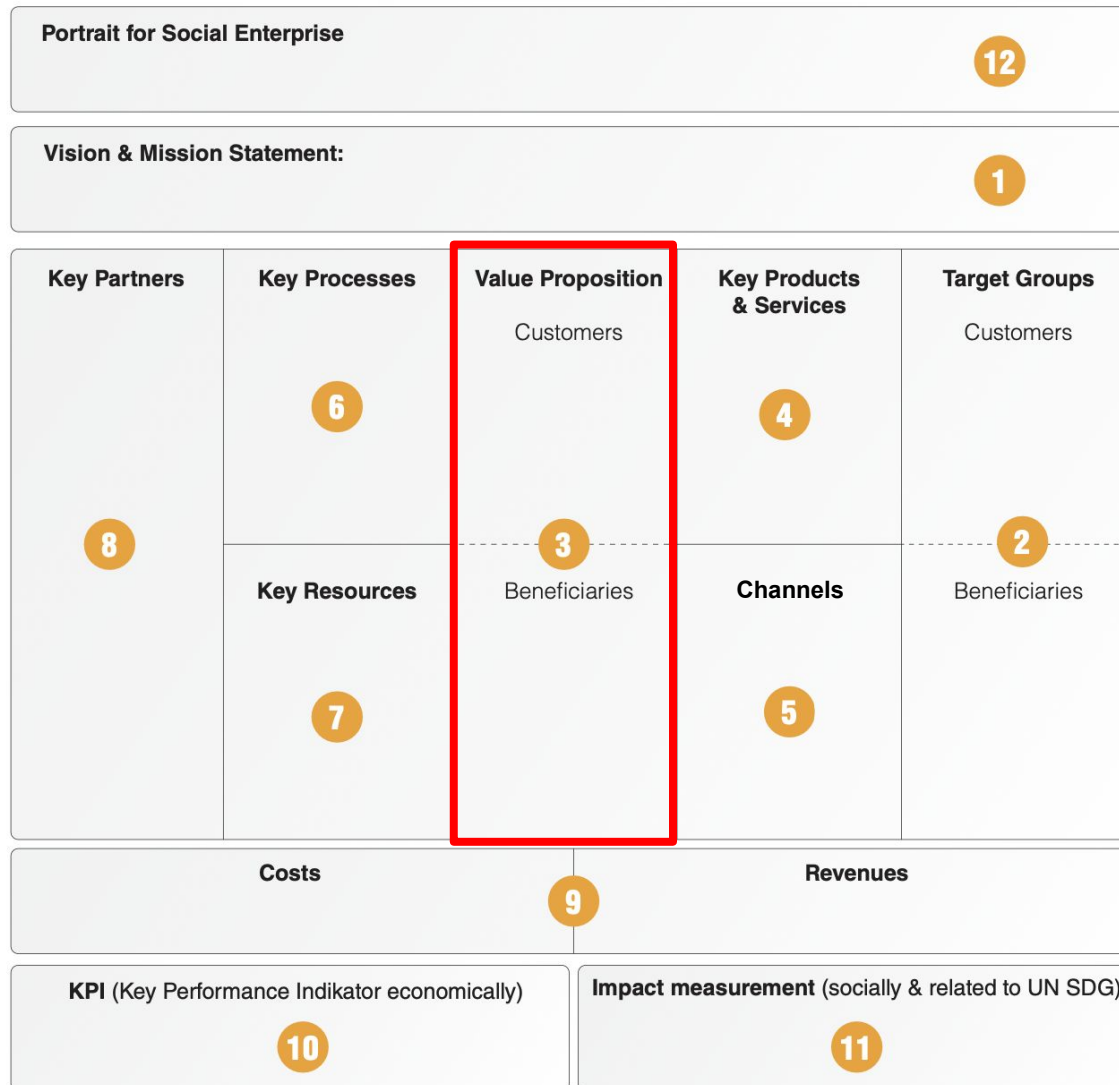
# Beneficiaries and eco system services



- **Provisioning services** provide products such as food or water.
- **Regulating services** regulate a natural process to our benefit, such as reducing flooding or air quality.
- **Supporting services** help other ecosystem services function, such as photosynthesis and soil formation.
- **Cultural services** provide non-material benefits that are important to our health and well-being, such as a sense of place, recreation, and aesthetic quality.

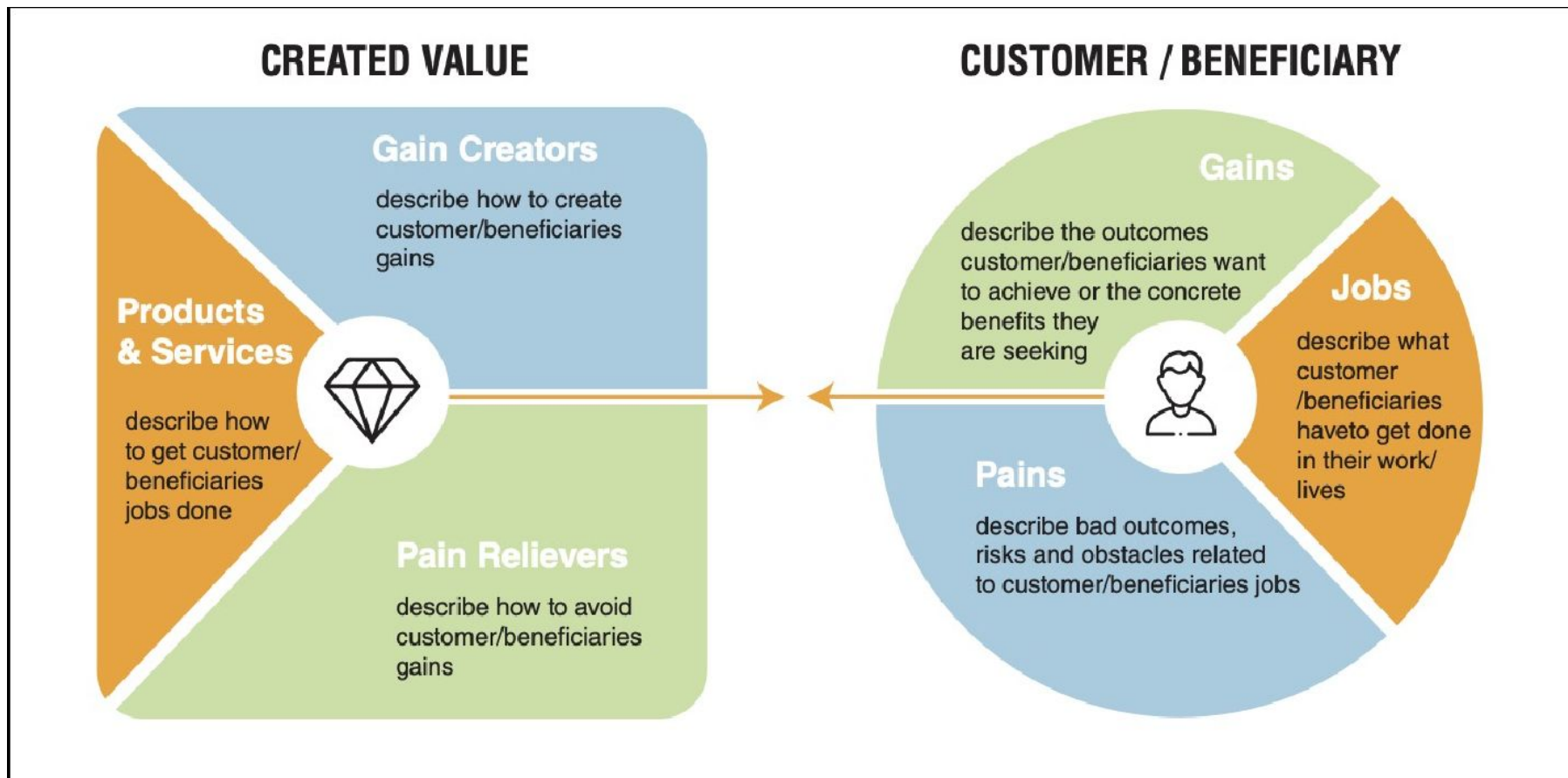
WWF, 2016, p.51.

# Social Business Model Canvas (SBMC)



# Value Proposition

**Define which values do you want to create for whom. Be as specific as possible. Understand your customers / beneficiaries gains, pains and jobs!**



## gains & gain creators

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- Gains describe the outcomes and benefits that customers and beneficiaries expect from an activity or purchase of a product or service.
- What will become better, more sufficient, easier, nicer, more pleasant, faster or cheaper?
- gain creators:
  - customers: tasteful food, fashionable clothing, punctual means of transportation, an entertaining vacation or the trouble-free repair of a product would be such gain creators.
  - beneficiaries: creating jobs, qualifying people, organizing access to important resources such as water and energy, or even designing public places where people can relax and recuperate.

## pains & pain relievers

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- Pains describe anything that troubles, disturbs, seems difficult, causes stress, or prevents customers or beneficiaries from completing a task.
- Subjective perception of activities or conditions that are seen as a risk or obstacle. Problems can also arise from the lack of aesthetics or functionality of goods.
- pain relievers
  - Customers: short waiting or delivery times, strong WiFi or high range of electric cars with a high number of charging stations, insurance for impending illness or unemployment.
  - Beneficiaries: waste reduction, less air pollution, reduction of unemployment, or support in case of illness or need for care are addressed. In relation to the company's customers, for example, insurance is a classic "pain reliever", as risks are reduced, e.g., in the event of impending illness, unemployment or in relation to provision for old age, and provisions can be made.

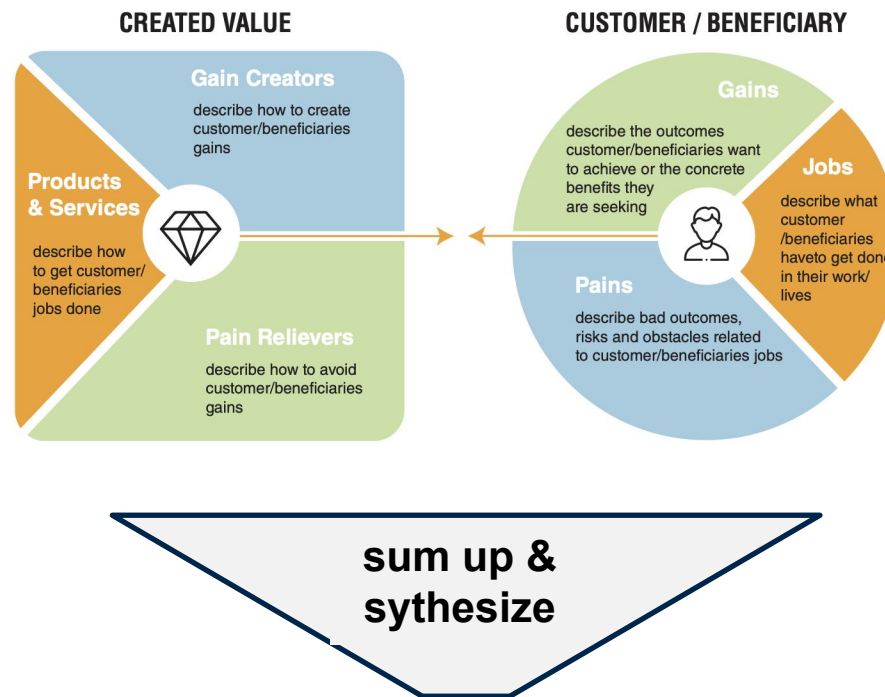


## jobs to be done / product & services

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- What tasks or activities that the customer/beneficiary must perform could be taken over by the company to be established?
- Possible jobs to be done in a customer's or beneficiaries' daily life that can be starting points for the creation of products or services are mowing the lawn, eating healthy, finding a job, repairing something, transporting something, taking care of children, etc.
- Products/services:
  - Customer: online store with delivery service (don't have to drive to the store),
  - Beneficiary: For women for whom we create a work opportunity, it could also be important to organize childcare during working hours.

# The last step to your value proposition



**To describe your „Value Proposition“ answer these questions:**

- Which product or service is offered to whom?
- What is the benefit of the offer?
- What makes the offer special and, if applicable, unique?

# Value Proposition of the Park



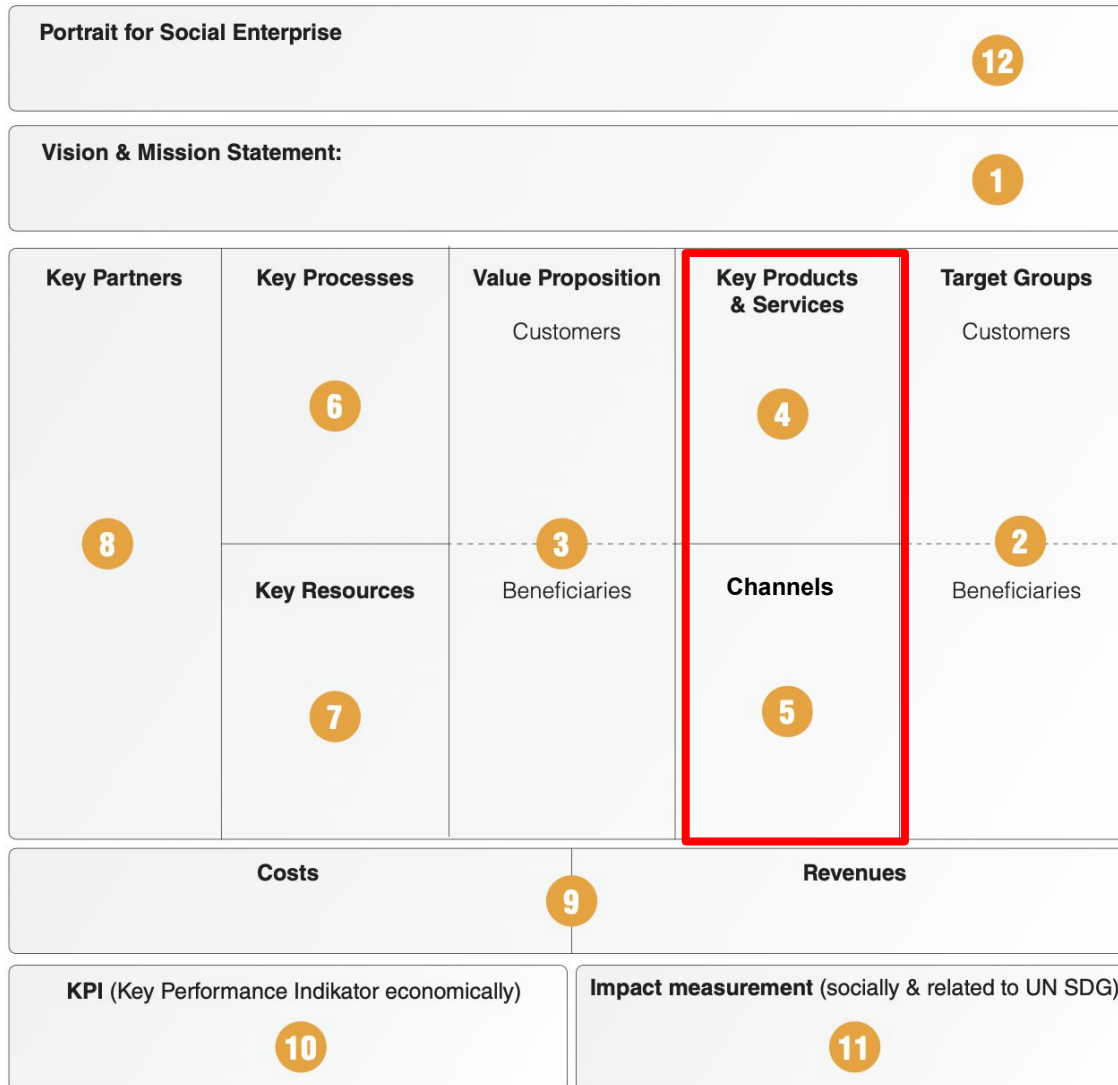
## Customers:

- Guests of Café: Enjoy regional specialities in a relaxed atmosphere directly on the Neckar.
- People / groups booking the event space: Technically modern equipped event location directly on the Neckar for the organisation of individual celebrations
- People / groups booking the event space

## Beneficiaries:

- Citizens of the city: A place to relax and unwind in the immediate vicinity of the city centre
- Garden community: Gardening & growing vegetables together, even if you don't have your own garden

# Social Business Model Canvas (SBMC)

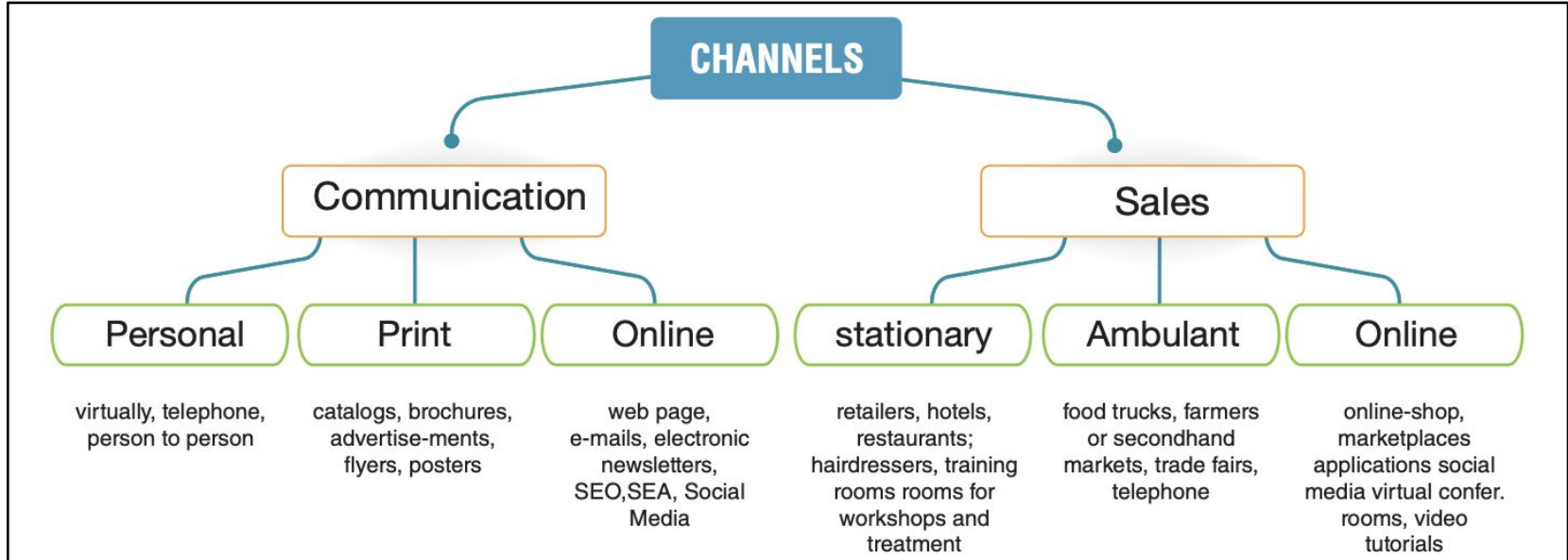


# Wörth ParK: products and services



- Leisure activities in the park
- Public events
- Food and drinks on offer in the café
- Lectures and courses on sustainable gardening / vegetable growing
- Sale of locally grown vegetables
- Holiday care for school children
- ...

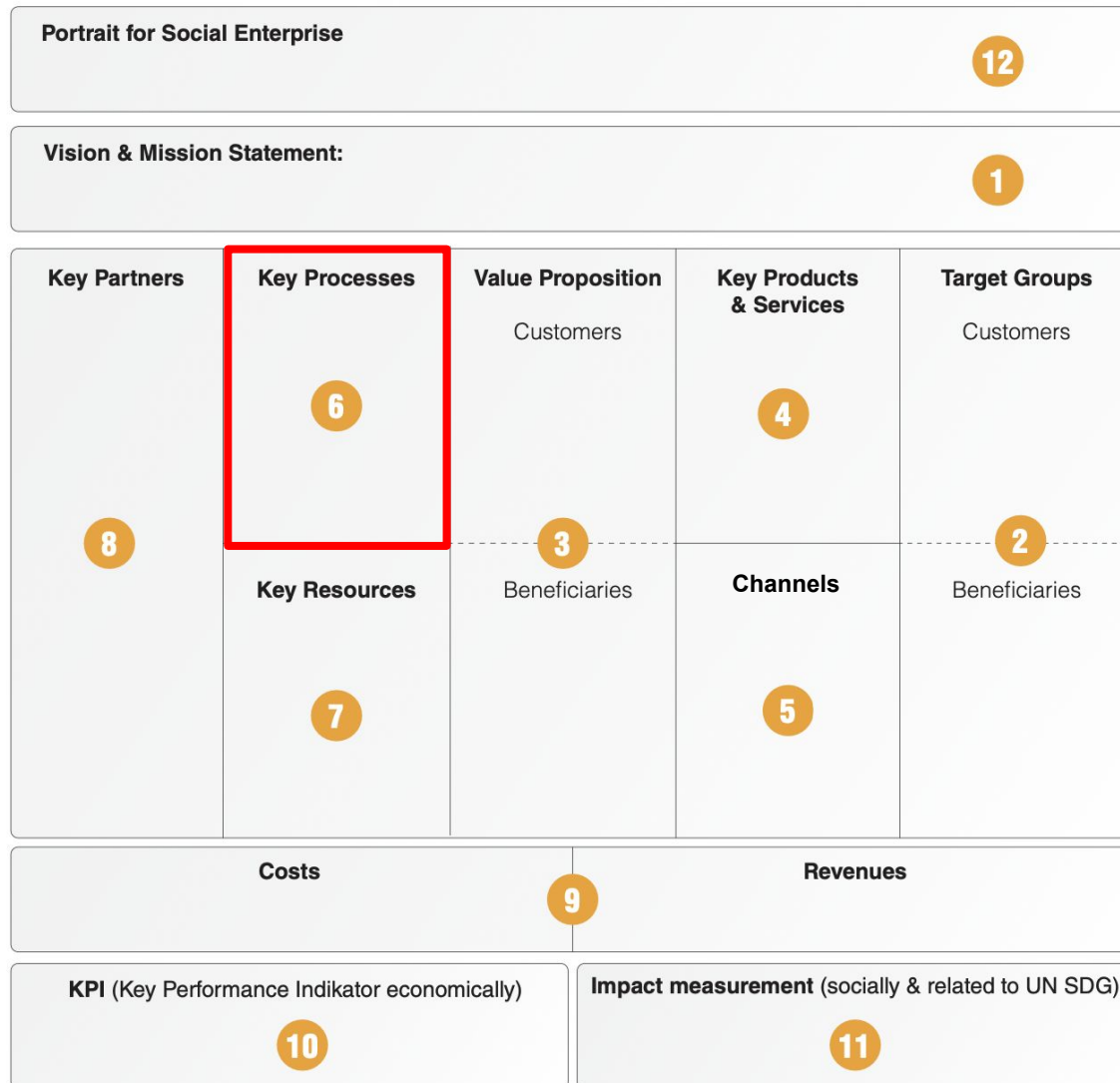
# communication and sales channels for the park?



**Communication channels** are the park itself as well as all common print and online media - especially in the city / region. Possible additions e.g. newsletters for special communities etc.

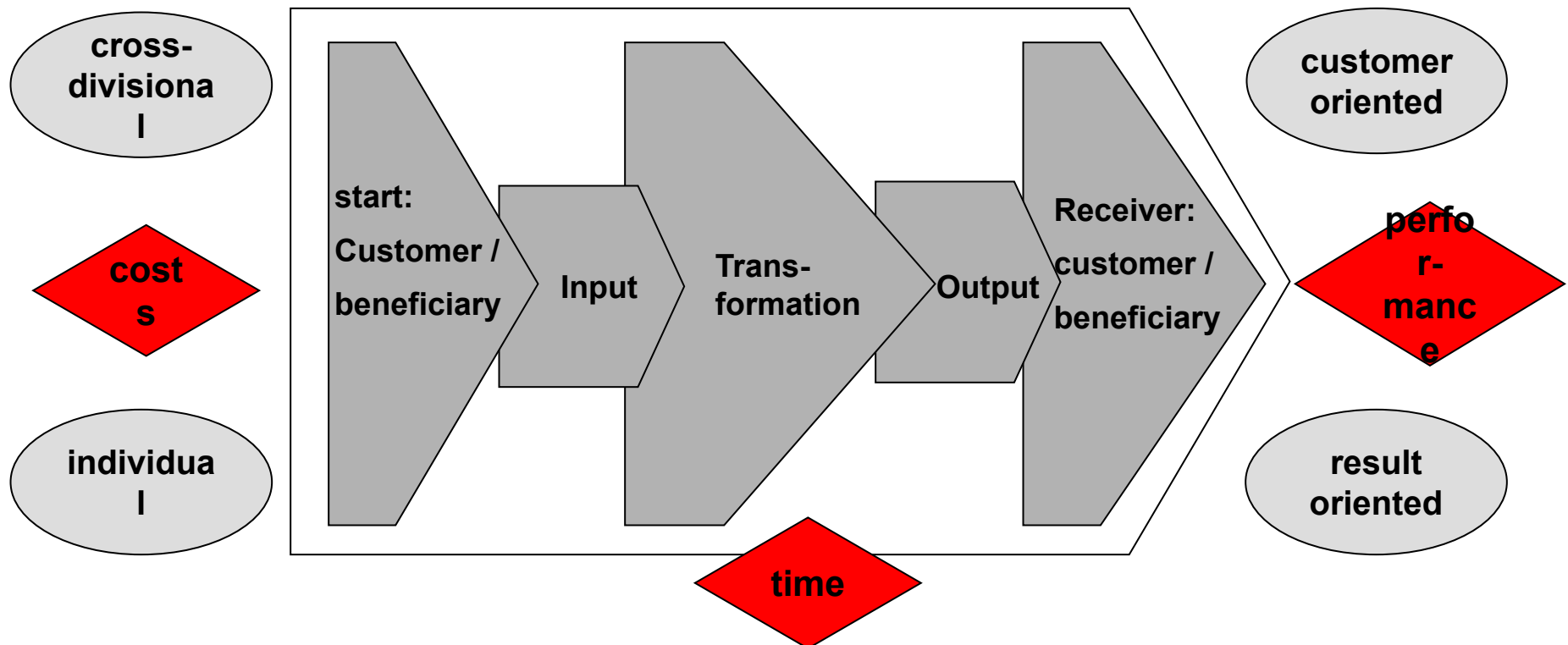
**Services are provided and goods are sold** in the park and at the various locations with different utilisation options (café, event space, garden)

# Social Business Model Canvas (SBMC)



# What is a process?

A process is the sum of activities or operations that transform an input (e.g., customer inquiry) into a result (e.g., service provided). A business process should generate added value for customers. Key processes are derived from the vision and goals, target group(s) and their benefits, positioning in competition, core competencies, value creation.



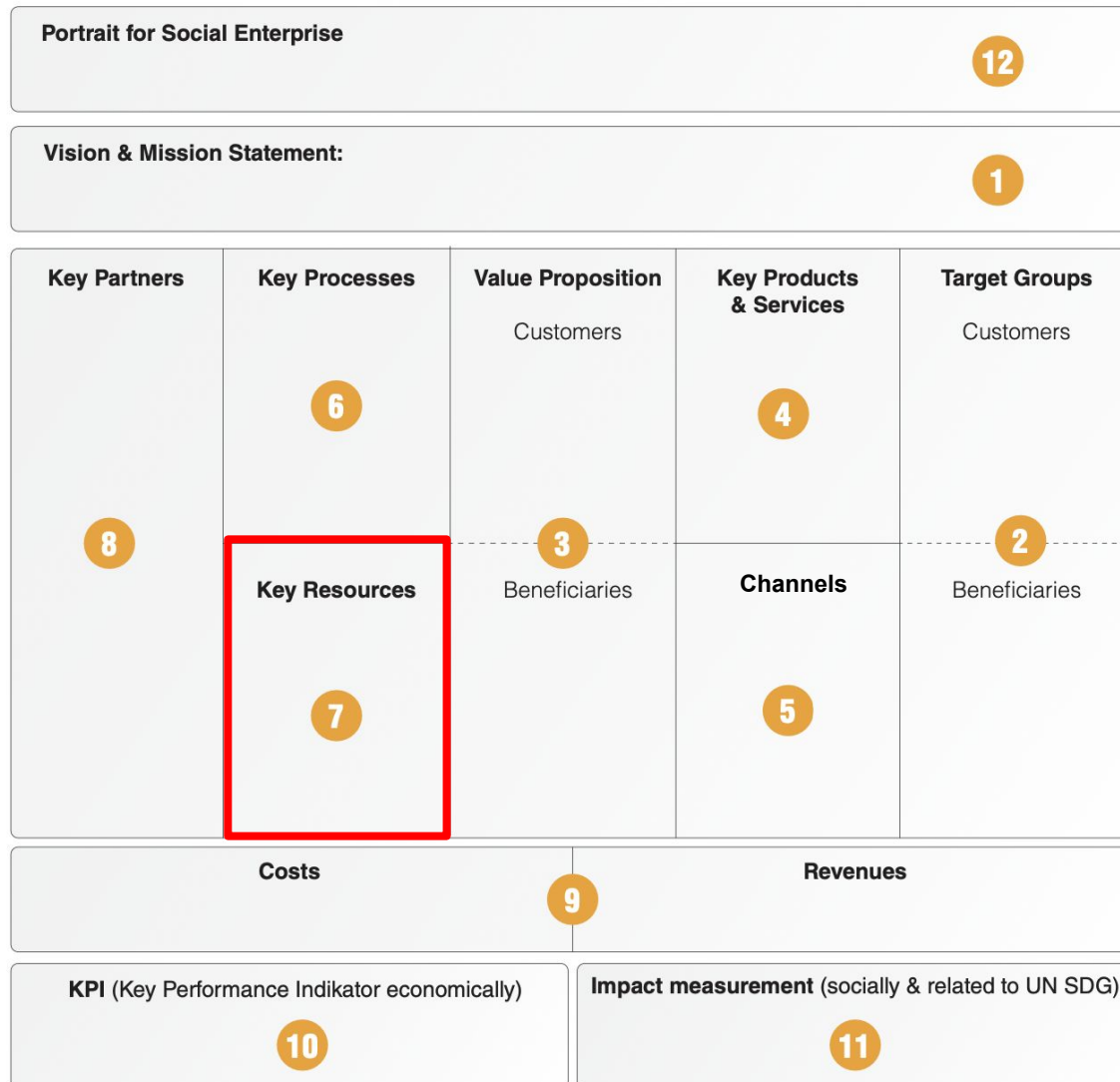


# Processes in the Park

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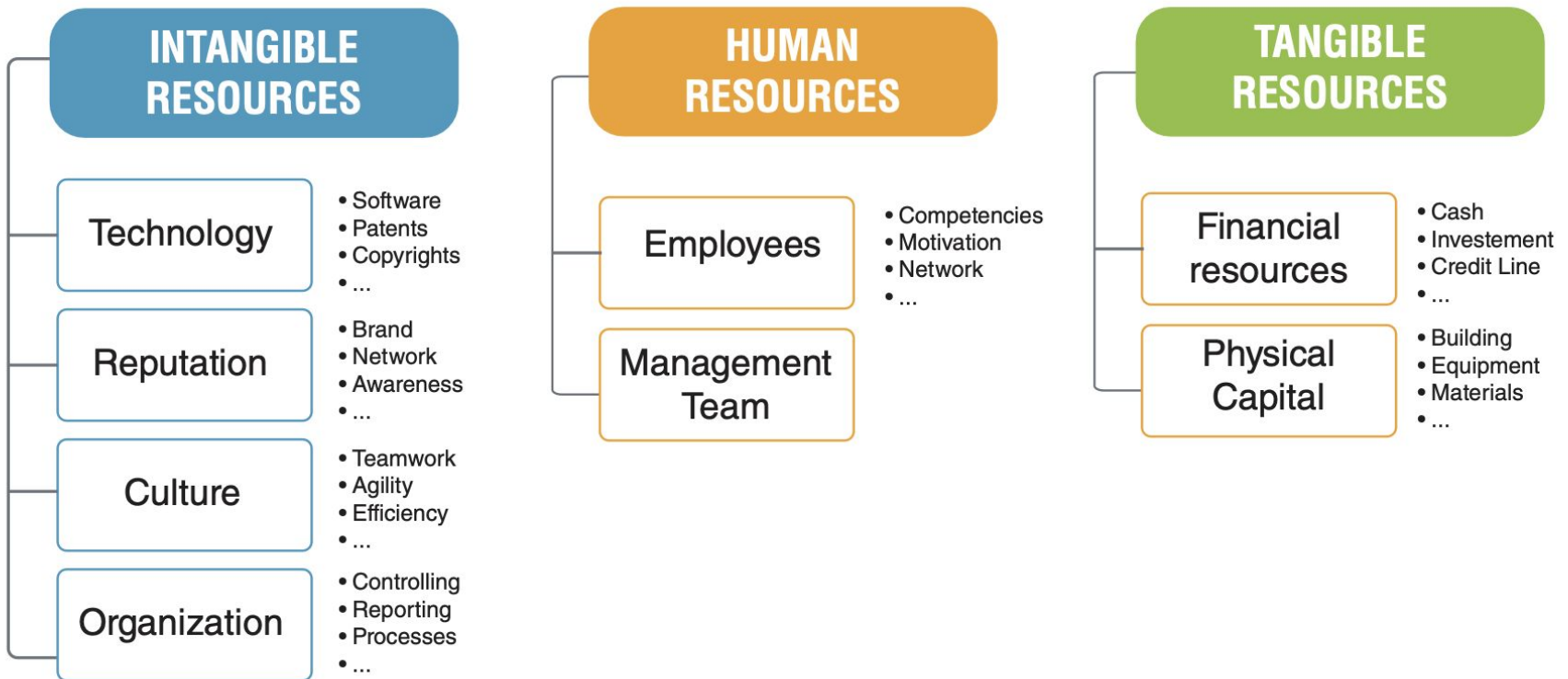
- Management
  - financing / funding
  - coordination of all activities and networking of stakeholders
  - ...
- Core
  - event management
  - café: purchasing, preparation of food if necessary, serving guests
  - gardening
  - Marketing
  - ...
- Supporting
  - recruitment of volunteers
  - maintenance of park and facilities
  - cleaning
  - security service
  - ...

# Social Business Model Canvas (SBMC)



# possible resources of (social) enterprises

Above-average profits result from resources that a company has at its disposal. Resources are thus centrally responsible for the competitive position and the attainment of competitive advantages.



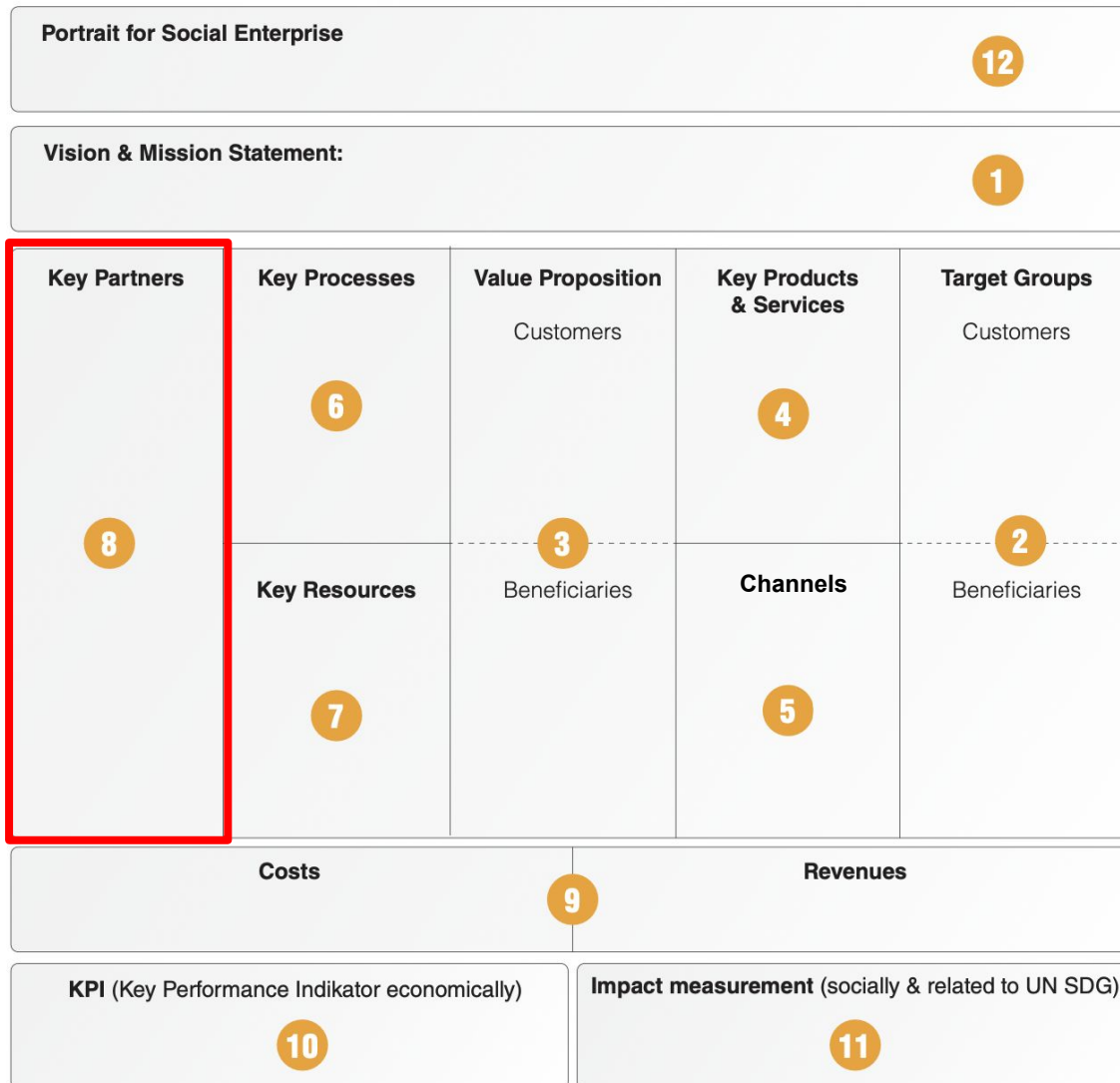
Reuter, 2011, p. 15.

# Ressources of the Park

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- human
  - management
  - volunteers
  - ...
- tangible
  - park area
  - café / event space: equipment, devices, technology
  - garden equipment
  - ...
- intangible
  - historical and cultural value of the location directly on the Neckar and close to the city centre
  - social capital of strong network and activated communities
  - ...

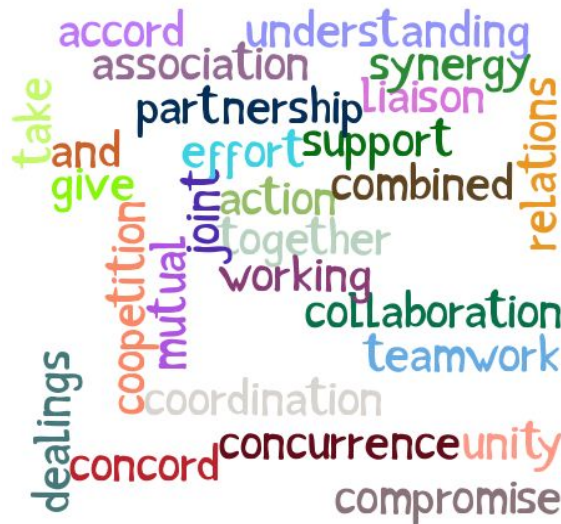
# Social Business Model Canvas (SBMC)



# Cooperation as a main instrument of Social Change

**Social Change either in a community-based approach or in a social enterprise requires involvement of and cooperation among multiple players drawn from both the private and public sectors. Facilitating organizations, including NGOs, government agencies, and cooperatives may be essential partners in the process. (Along the lines of Nielsen/Samia, JoCM, 2008, p. 441.)**

## Cooperation



A word cloud of terms related to cooperation, including: accord, understanding, synergy, association, partnership, liaison, support, effort, combined, relations, take, and, give, joint, action, working, together, collaboration, teamwork, mutual, competition, coordination, dealing, concord, concurrence, unity, compromise.

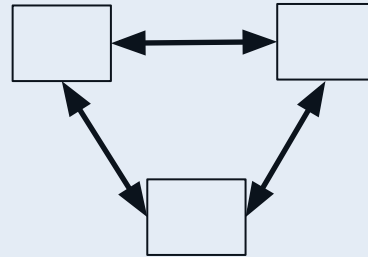
- ... means to work together to the same end.
- ... inevitably results in giving up independency.
- ... always leads to transaction costs.

# complexity of cooperations & transaction costs

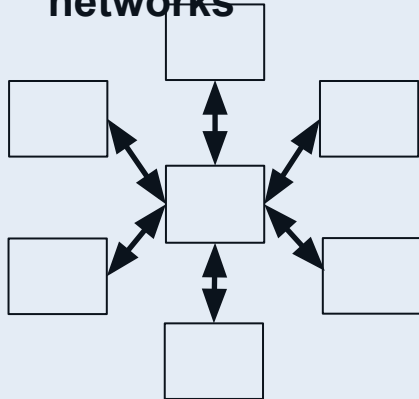
**bilateral cooperation**



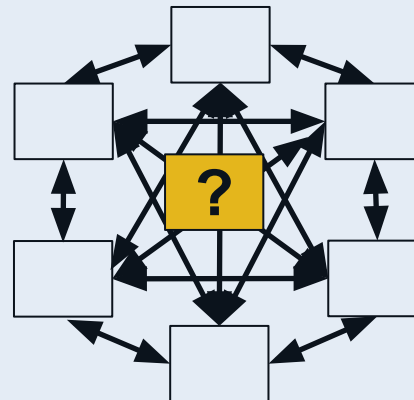
**trilateral cooperation**



**simple networks**



**complex networks**



**Three levels of transactions**



communication



physical transactions



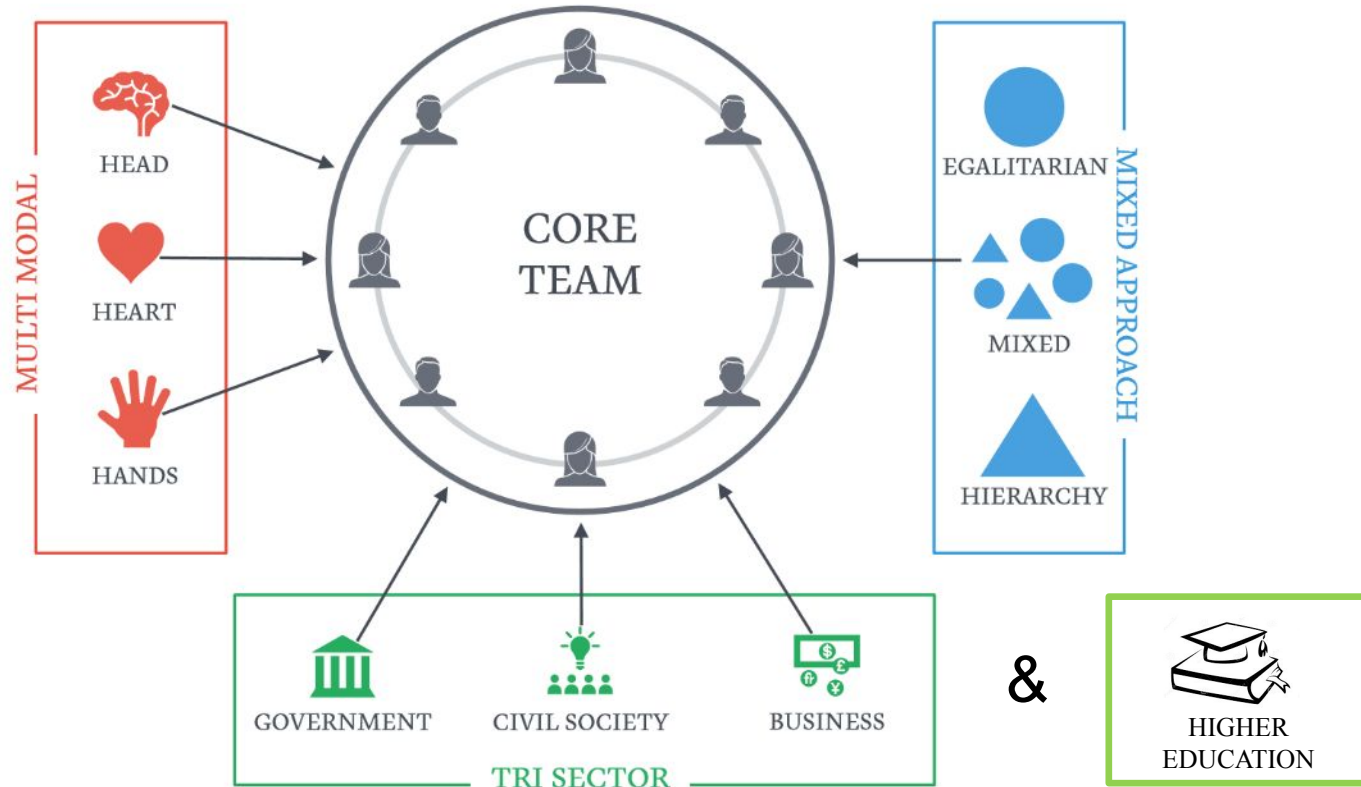
financial transactions

**Cooperation leads to „transaction costs“:**  
collecting information, communication, controlling,  
settling disputes, ...



**The more complex the cooperation, the higher the (expected) transaction costs.**

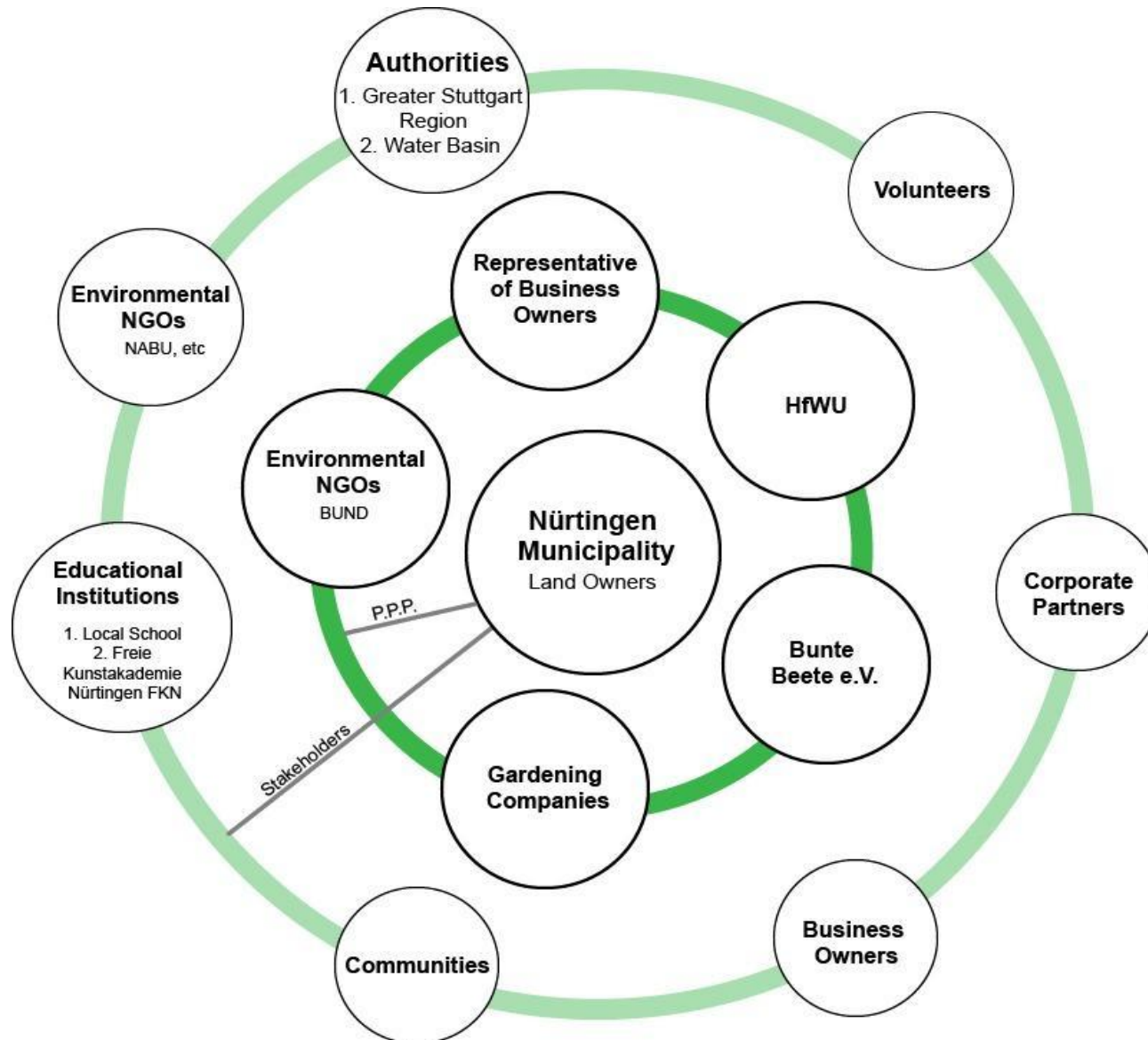
# Building a Team / Network for locally based Social Change



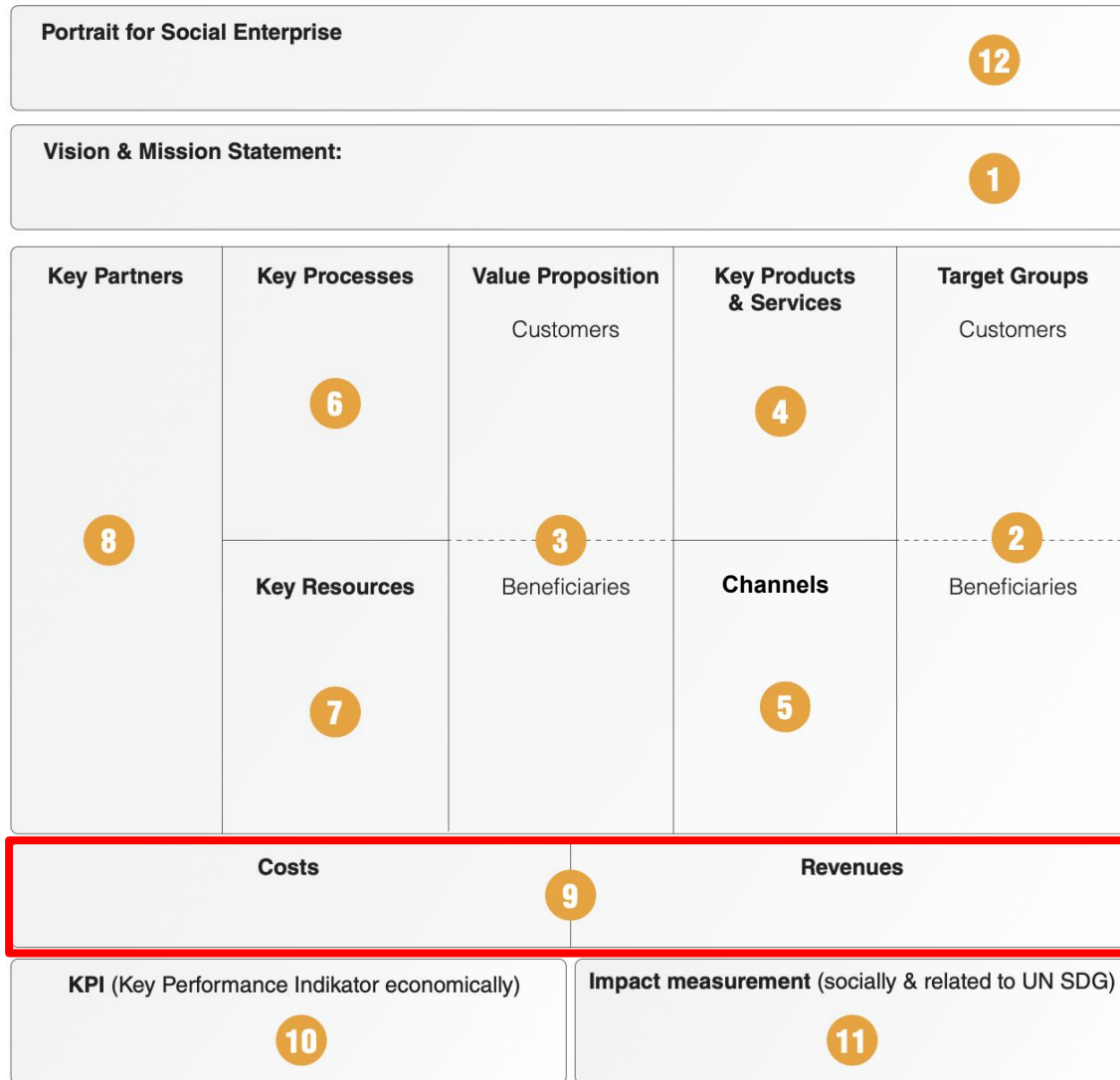
Hassan, 2015, p.22.



# Wörth park: Collaborative Network and Governance



# Social Business Model Canvas (SBMC)



# Types of Costs / Invests

- What are the most important cost items? Which ones have a strong dynamic? Which ones can be decisively influenced?
- parc:
  - personnel
  - maintenance
  - equipment (eventspace, café, etc.)
  - Energieversorgung
  - gardening supply
  - energy supply
  - insurances
  - (online) marketing
  - ...

No.	cost type	explanation & examples
1	material costs	All raw materials, auxiliary materials and operating materials that are important for the production of goods (raw materials: wood, steel or ore; auxiliary materials: lubricating oil, packaging material; operating materials: electricity, gas, crude oil)
2	cost of goods procurement	Goods purchased in trading companies for resale (books, furniture, clothing, electrical appliances)
3	personnel costs	Wages & salaries as well as all personnel-related benefits such as bonuses, vacation and Christmas bonuses, personnel development, costs for company cars and social security contributions such as health insurance, pensions or even unemployment insurance
4	advertising & promotion	Print and online advertising, events, trade fairs. Travel expenses are often included here as well
5	utilities	Costs for third-party services like cleaning, tax consulting, management consulting, leasing costs, logistics
6	insurances	Liability insurance, building insurance, fire protection
7	depreciation & amortization	Depreciation on fixed assets (buildings, machinery, fixtures and fittings, vehicle fleet) is the scheduled allocation of the acquisition value over the expected life. If a motor vehicle costs €70,000 and its life is estimated at 7 years, then annual depreciation of €10,000 is incurred.
8	other costs	Costs that are small in amount are grouped under other costs. These include, for example, costs for telecommunications, office supplies, cleaning materials, postage, etc.
9	interests	Interest on loans in order to finance investments in the business model with them

## possible revenue driver / own income of the Park

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- sale of food & drinks / vegetables from the garden
- rent for event space
- entrance fees
- fees for gardening courses
- parking fees
- city administration budget (tax revenue)
- donations, grants, support, sponsorship
- ...

# Profit & Loss Account

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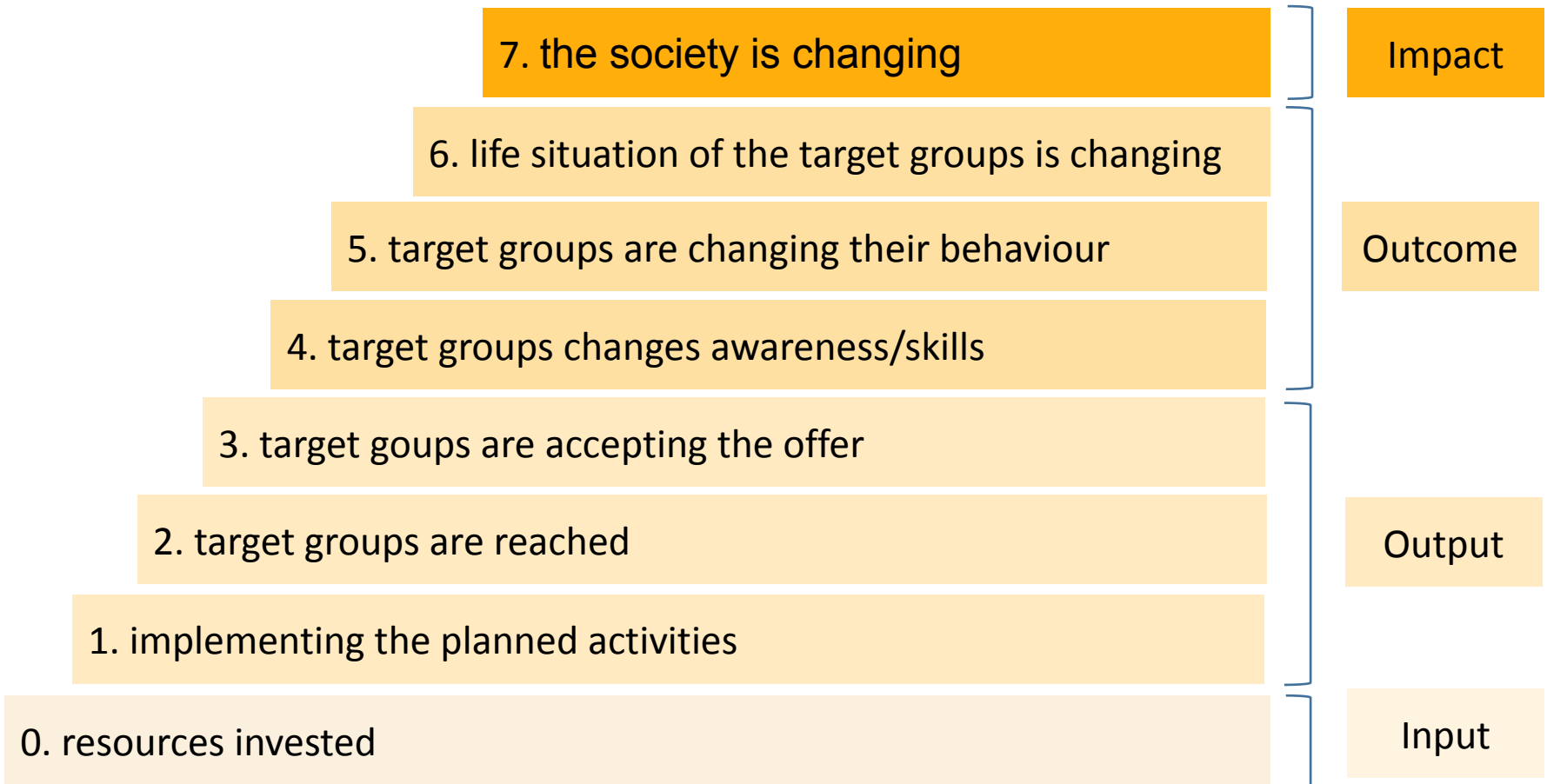
ITEM	€
revenue stream 1	220,000 €
revenue stream 2	40,000 €
revenue stream 3	12,000 €
total net revenues	272,000 €
material costs	37,000 €
personnel cost	187,000 €
advertising & promotion	10,000 €
utilities	9,000 €
insurance	1,200 €
depreciation & amortization	14,000 €
other costs	8,000 €
total costs	266,200 €
EBIT	5,800 €
interests	2,500 €
tax	2,800 €
Net Earnings	500 €



# The chain of effects

## Input – Output – Outcome – Impact

Measure the success of the social business model at different levels.



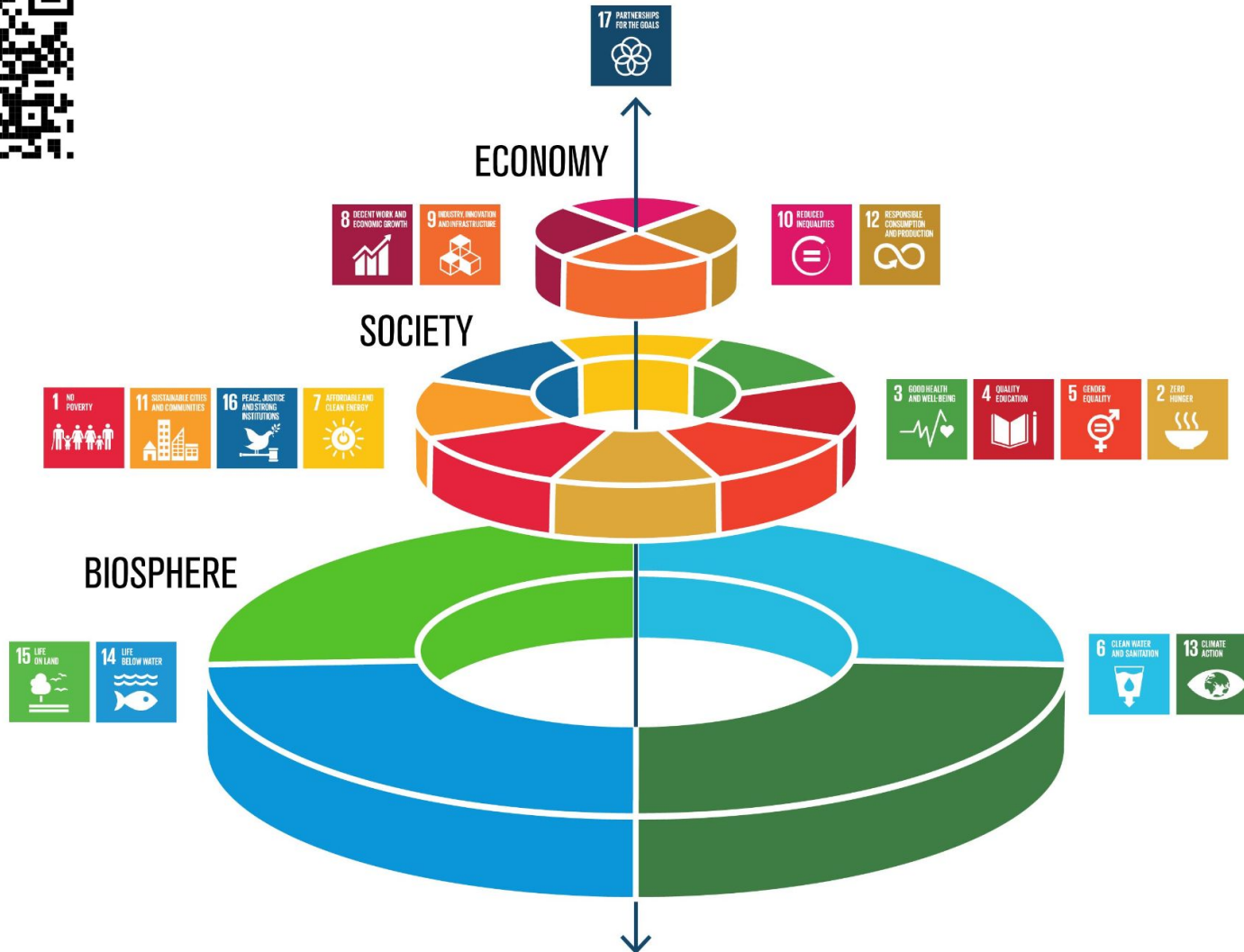
<https://fit-fuer-sozialunternehmen.de/social-entrepreneurship-gruendungsberatung/>

# Impact measurement – example urban gardening as part of the park

Input/Output/Outcome/Impact	Example	KPI
7. the society is changing	the local food system is changing	% of home/local grown vegetables
6. life situation target groups is changing	community increasingly feeds on home-grown vegetables	number/weight of vegetables grown
5. target groups changing their behaviour	people are sowing and harvesting their own vegetables	active members
4. target groups changes awareness/skills	growing knowledge about gardening / growing vegetables	participants in courses
3. target groups are accepting the offer	growing community of urban gardeners	number of members
2. target groups are reached	information about activity in relevant media	media used, readers reached, followers
1. implementing the planned activities	urban garden installed	Garden with beds and infrastructure
0. resources invested	plot of land, yearly budget	sqm, €



# Impact: link to Sustainable Development Goals (SDG)



Graphics by Jerker Lokrat

# Wörth Park & SDG

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**3** GOOD HEALTH  
AND WELL-BEING



**13** CLIMATE  
ACTION



**17** PARTNERSHIPS  
FOR THE GOALS



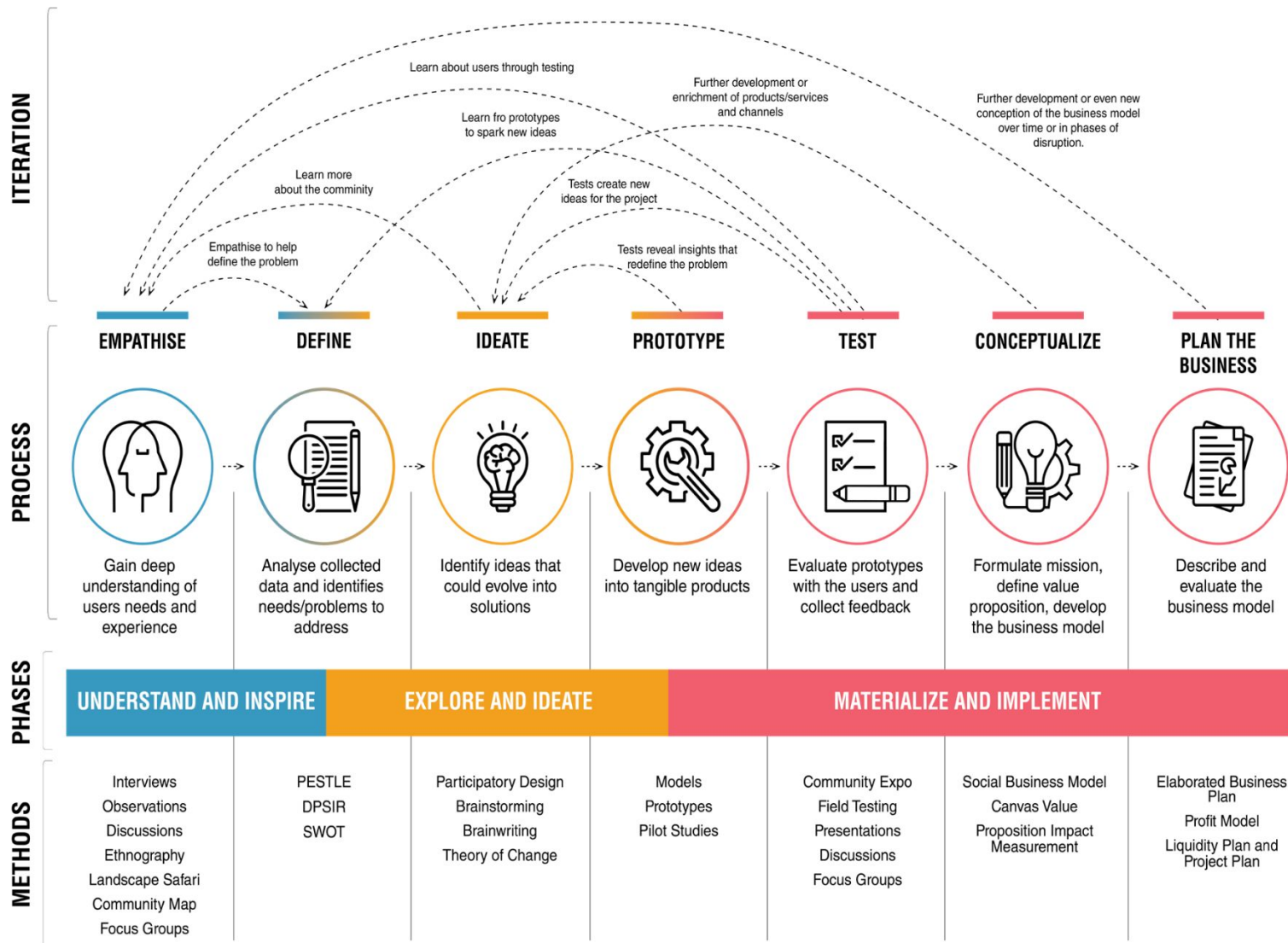
**11** SUSTAINABLE CITIES  
AND COMMUNITIES



**12** RESPONSIBLE  
CONSUMPTION  
AND PRODUCTION



# Process model for the development of a social enterprise



Funck et al.,  
2023, p. 36.

# Literature

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- **Burkett, I., 2020.** Using the Business Model Canvas for Social Enterprise Design, 2nd ed. Queensland.
- **Funck, D., Dreksler, B., Fetzer, E., 2023.** People, Landscape, Sustainability - A Handbook for Community Innovation Promoters, Göttingen; Link to free ebook / pdf: <https://cuvillier.de/de/shop/publications/8827-people-landscape-sustainability>
- **Osterwalder, A., Pigneur, Y., 2010.** Business Model Generation: A Handbook for Visionaries, Game Changers, and Challengers.
- **Pechancova, V., Pavelková, D., Saha, P., 2022.** Community Renewable Energy in the Czech Republic: Value Proposition Perspective. *Frontiers in Energy Research* 10, 821706. <https://doi.org/10.3389/fenrg.2022.821706>
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