Module 3 | Social Enterprise Design

Module Name:	Social Enterprise Design
Age or Grade:	Secondary 2.0 (Mixed age group)
Discipline:	Career & Community Development
Level:	Intermediate
Duration:	4 weeks

Dear Teacher,

During this module students explore the design process and develop many social enterprise ideas that have a social or environmental mission.

- Purpose
- Competencies, Indicators, Skills, and Concepts
- Module Overview
- Background Information
- Assessment
- Module Deliverables
- Resources
- Workshops and Lessons

Purpose

The purpose of **Module 3 - Social Enterprise Design** is to take the social enterprise ideas generated in Module 1 and 2, and begin to test them in the market. Students will use the Business Model Canvas, create a Minimal Viable Product, and use other validation techniques to test the viability of their ideas.

Use of Time

Time is relative. You may adjust the time recommended for each activity and assessment based on your class size and dynamic. Leave room for authentic moments of learning and flexibility. Each Module is designed so that you can apply the learning to real life situations.

A possible calendar timeline for the course is:

Module 1 - August 15 to September 15
Module 2 - September 16 to October 16
Module 3 - October 16 to November
Module 4 - December to April 15
Module 5 - April 15 to May 15
Capstone Event Show What You Know - End of May

Competencies, Indicators, Skills, Concepts

Competency

- ❏ Creates a business model canvas
- ❏ Using community outreach, knowledge of funding, and the BMC; determines if the social enterprise will be viable
- ❏ Creates a Minimal Viable Product

Indicators

- ❏ Students will use the Business Model Canvas to determine the potential of a project and improve the design of a project
- ❏ Students will create surveys to determine community needs
- ❏ Students will make and be a part of an action plan that lists key tasks, duties and timelines
- ❏ Students will fundraise for a project through loans or crowdfunding

Critical Skills

Critical Thinking   **Inquiry**

Concepts

Business Model Canvas   **Validation**   **Minimum Viable Product**

Module Overview

In Module 3, Social Enterprise Design, students focus on the design of a chosen social enterprise to reach product-market fit.

Students will begin with a review of the business model canvas and create one for their social enterprise idea. A large focus will be put on understanding profit, sustainability, and how finances work. The word "business" and "social enterprise" will be used interchangeable but refer to the same activity.

Students then develop a clear path of action to validate and realize their project's potential, learning how to align a market (business) opportunity with a social or environmental need. Going out in the

community, students will take a hands on approach to validating their business ideas and ensuring there is a gap in the market that their social enterprise can fill. In this Module, students will also learn about the different ways to fund their social enterprise; another step to ensure viability.

Once students have validated and refined the product-to-market fit, they will develop and test a Minimal Viable Product (MVP).

Big Questions

- ❏ Is there a real demand for our product/service? (Validation)
- ❏ How are we driving impact? Who are our beneficiaries and how are we supporting them?
- ❏ Will our social enterprise be financially sustainable?
- ❏ How can we best finance our social enterprise?
- ❏ How can we test our product using a Minimal Viable Product?

Inspirational Quote

Post this in your classroom

"There are two types of people who will tell you that you cannot make a difference in this world: those who are afraid to try and those who are afraid you will succeed."

- Ray Goforth

Background Information

Business Model Canvas

The **Business Model Canvas (BMC)** is a tool that allows you to visualize all of the key components of your business on one sheet of paper. You can use the BMC to sketch out a new idea or to visualize an existing business. The BMC is a tool that helps you structure your thinking when you're studying a business or business idea.

The 9 building blocks of the business model canvas are:

- ➔ **Value Proposition** - *What do you do?*
- ➔ **Customer Segments** - *Who do you help?*
- ➔ **Channels** - *How do you reach them?*
- ➔ **Customer Relationships** - *How do you interact with them?*
- ➔ **Revenue Streams** - *How you make money?*
- ➔ **Key Partners** - *Who will help you?*
- ➔ **Key Resources** - *What do you need?*
- ➔ **Key Activities** - *How do you do it?*

➔ **Cost Structure** - *What will it cost?*

The Business Model Canvas

Designed for:　Designed by:　Date:　Version:

Key Partners

Who are our Key Partners?
Who are our key suppliers?
Which Key Resources are we acquiring from partners?
Which Key Activities do partners perform?

Key Activities

What Key Activities do our Value Propositions require?
Our Distribution Channels?
Customer Relationships?
Revenue streams?

Value Propositions

What value do we deliver to the customer?
Which one of our customer's problems are we helping to solve?
What bundles of products and services are we offering to each Customer Segment?
Which customer needs are we satisfying?

Customer Relationships

What type of relationship does each of our Customer Segments expect us to establish and maintain with them?
Which ones have we established?
How are they integrated with the rest of our business model?
How costly are they?

Customer Segments

For whom are we creating value?
Who are our most important customers?

Key Resources

What Key Resources do our Value Propositions require?
Our Distribution Channels? Customer Relationships?
Revenue Streams?

Channels

Through which Channels do our Customer Segments want to be reached?
How are we reaching them now?
How are our Channels integrated?
Which ones work best?
Which ones are most cost-efficient?
How are we integrating them with customer routines?

Cost Structure

What are the most important costs inherent in our business model?
Which Key Resources are most expensive?
Which Key Activities are most expensive?

Revenue Streams

For what value are our customers really willing to pay?
For what do they currently pay?
How are they currently paying?
How would they prefer to pay?
How much does each Revenue Stream contribute to overall revenues?

Strategyzer
strategyzer.com

Value Proposition - *What Do You Do?*

Your **value proposition** is the reason why customers are buying your products or services. It is the reason why customers will come to you instead of your competitors. Your value proposition is more than the product or service you provide, it's the **benefit** that you provide. What is the product or service doing for your customer? How does it improve their lives? Some examples of a value proposition can include: cost savings, time savings, convenience, status, performance and/or community benefit.

Within a social enterprise context, it also refers to the benefit or social value you're providing to a user or beneficiary. For example, if you were operating a cafe with previously incarcerated men and women as the employees, you would list how you're providing value to them as employees. This is important to the employees but your customers will also receive indirect value in knowing they're supporting an enterprise that's directly benefiting a group of people they care about.

In this section, you can also create your impact measures, which refers to how you'll measure the social and/or environmental impacts you'll be making with your social enterprise. This is important as your customers, investors and beneficiaries would love to see your measurable results.

Customer Segments - *Who Do You Help?*

Customer segments are the groups of people you are helping with your business. Customers are at the heart of your business. Without any customers, you have no business! When filling out a business model canvas, we don't look at our customers as one big group of people. We identify different types of customers that share similar characteristics. These different types of customers are called customer segments. Customers can be segmented demographically, based off of things such as: age, geneder, education level, income, occupation etc. or psychographically, based off of things such as: interests, needs, wants, lifestyle, etc.

In a social enterprise context, this also includes your beneficiaries. Even if they aren't paying you, it's important to ensure their correlating value propositions are properly linked. This will help you provide the best possible support and work experience to hit your impact metrics. Impact metrics refer to the social benefits you're providing the individuals you're looking to help with your social enterprise.

Channels - *How Do You Reach Your Customers?*

Channels are how your product and its message travels to each of your customer segments. This includes everything from advertising to them, communicating with them when they're purchasing, the way you're selling to them and how you ship products to them. For your beneficiaries, it can include how you reach them and add value to their lives.

To learn about the 5 types of channels for the different steps in the sales process, go to page 96 in the Student Guide.

Customer Relationships - *How Do You Interact With Your Customers?*

Customer relationships are the types of relationships you create with your customers, and the *experience* they have with you. Do you give them a service in person? Do you run your business through a website and never see your customers? Do you spend a lot of time with each customer?

The type of relationship you have with your customer will depend on the type of business you have. For example, if someone is purchasing candy at the corner store, they likely want the experience to be quick, convenient, and easy. However, if they are looking to buy a new snowmobile, they likely want the help and advice of a sales associate to make sure they get the most information they can about the machine, and to get the best deal possible.

Revenue Streams - *How Do You Make Money?*

Revenue streams are how you make money with your social enterprise. They are the engine that drives your business. Revenue streams do not represent your profit. Instead, they are the cash the business generates within each customer segment.

Key Resources

Key resources are the main resources a business needs to carry out their activities and run their business.

Key Partners

Key partners help you carry out key activities or provide you with resources and supplies.

Key Activities

Key activities are the tasks a business must accomplish to function or run. Key activities are how a business fulfills its value proposition.

Cost Structure

A company's **cost structure** includes all of the costs it comes across. The cost structure of the business model may change depending on its product/service selection, value proposition, the customer segments, activities, resources required, and partnerships.

It is very important for a company to understand its cost structure. If the cost of delivering the value proposition is too high, the business may not work. If this is the case, you must alter some of your other

building blocks (e.g. reducing resource costs).

To learn about fixed and variable costs, go to page 114 in the Student Guide.

Surplus

Many social enterprises choose to invest their net profits back into their mission. You may choose to invest 100%, 50% or any other amount you deem appropriate. You can add this section to your business model canvas.

For more information on the Business Model Canvas, go to Chapter 4 in the Student Guide.

Validation

Validation is the process of finding out whether or not your idea is one that your customers will like. The goal of validation is to receive confirmation that you are on the right track, and to identify what you need to change to make your idea better. A good business idea will pass each of these four tests. The Business Model Canvas is a great tool to map out your idea to see if it can pass the tests.

Test 1: Are customers willing to buy our products/services?
Customers must be willing to buy your products/ services. Although the idea might be interesting to people, you need to make sure that they see enough value in it to actually spend their money on it. It's possible that the market you're looking at, meaning the area of customers, will not be able to afford what you're offering.

Test 2: Can you reach enough customers?
Are there enough potential customers for your business to be profitable? How will you reach those customers? If your potential market is too small, it might not be enough to sustain your business or project. Researching population statistics and customer validation will help you find out if there are enough customers you can reach. It's also important to multiply the number of customers with your profit margin. This will tell you if your estimate of the number of customers you can reach can sustain the business.

Test 3: Is it feasible for you to run your business?
There are many financial, legal, regulatory or operational restrictions that can affect the practicality of your business. To analyze the feasibility of your business, write down all of the key activities, key partners, and key resources on your business model canvas.

Test 4: Will your revenue be greater than your costs?
What price point, and how much profit do I need to generate with the market size i'm able to reach for the business to be feasible? Will you generate more money than you will spend? This is the basic mathematical equation at the baseline of your business idea. Money can come from different sources like your customers, investors, project grants, and donations. Make sure that your business has the potential to generate enough money to cover its costs.

In order to help you gain information to pass the four tests, there are a number of different validation techniques which you can use:

Customer Interviews

A **customer interview** is when you sit down with a potential customer or beneficiary and ask them questions to get as much information as you can. This is the first validation technique you should do when you have a new idea.

Surveys

Surveys are a great way to capture a lot of information quickly and easily. You can create them using online tools like Google Forms and Survey Monkey, and share them through email and Facebook.

Conversations

Talk to experts in your industry to ask them tough questions that help you validate your idea. Their expertise could provide you with useful information about your idea.

Ad Testing

With tools like Canva, Photoshop, and even Google Slides, you can create sample advertisements and promote them to thousands of potential clients through tools like Facebook Ads and Google Ads at a very low price. After the ad is launched, you can see how your advertisement performed by looking at different statistics, like how many people were reached, what type of people responded most to your ad, and where your most responsive customers are located.

Letters of Interest

Another great validation technique is to gather **letters of interest** from potential clients. These letters can show potential funders or banks that are interested in buying your product.

Prototype

A **prototype** is a basic version of your product or service that you can develop to validate your idea and get feedback without investing large amounts of money and time. A prototype is an initial sample, model, or release of a product built to test your product.

Make an Explainer Video

An **explainer video** is a short video clip or animation that walks a potential customer through all of the functions of the product or service, and highlights why people should buy it.

Build a Landing Page

A **landing page** is a web page that quickly explains what your business is and calls for action. This way you can see what the interest is in your product. For example, you might prompt your web visitors to 'sign up for more information' or to 'take a survey' or 'pre-order'. You haven't actually built anything, but the goal will be to see how many potential customers are interested in your product before you spend any time making it.

For tips on how to prepare for customer interviews and create surveys and prototypes, go to Chapter 5 in the Student Guide.

SWOT Analysis

A **SWOT Analysis** tool helps you analyze your competitors. SWOT stands for Strengths, Weaknesses, Opportunities, and Threats.

→ **Strengths** - What is the competitor good at doing from the customer's perspective?

→ **Weaknesses** - What are they not so good at doing?

→ **Opportunities** - What is missing from what they offer? Look at what your competitor doesn't do, and think of ways you can fill that gap with your business.

→ **Threats** - What might this competitor do that could be a threat to you? Also, what could happen in the industry that could affect both of you?

EXAMPLE: Inuk Stitches is a new fabric store based in Igloolik, Nunavut. Below is their analysis of a big competitor, The Northern Store.

STRENGTHS	• Already have a lot of customers • They sell a lot of other items that attract people to the store • They have a very large operation in the community
WEAKNESSES	• Not a lot of choices of material • Don't listen to customer needs • Not a Nunavut-based or Inuit-owned company
OPPORTUNITIES	• Large selection of fabric and notions • Listen to customers and constantly ask for feedback • Specializing in fabric • Inuit and locally owned
THREATS	• They are a large company with the power to lower their prices if threatened • Buys higher volume of material from same suppliers (opportunity for better discounts)

Minimum Viable Product

A Minimum Viable Product (MVP) is the most basic version of your final product or service, used to gauge people's feedback and if there is a need and want for it. Before investing lots of money and time into building your final product only to realize it's not actually what people need or want, startup owners use an MVP to get feedback and make the appropriate changes before moving forward.

Video

For example, Dropbox create an MVP with no product at all! Instead of building their product first without actually knowing if people were going to use it, they decided to make a demo video to test their audience's interest. Dropbox released a video showcasing how their product would work when fully functional and asked viewers to leave their contact information if they would be interested in the product

when it is completed. The feedback was overwhelming and the waitlist reached up to 75,000 people overnight! This helped Dropbox ensure that their product was going to be well received when they launched the full version.

Here is the video Dropbox created for their MVP.

Another example is the German online shoe store, Zalando. When Zalando first started selling shoes, they had no inventory at all. They simply put up a webpage with photos of shoes they knew they could get their hands on quickly. When someone ordered a pair, an employee would run out to a local store, buy the shoes, put them in a box, and ship them to a customer! Zalando used this method to see if people would actually be interested in buying their shoes, before investing in a bunch of inventory. Their method proved to be successful as they are now a multi-billion dollar company.

https://startupbasics.com/minimum-viable-product/
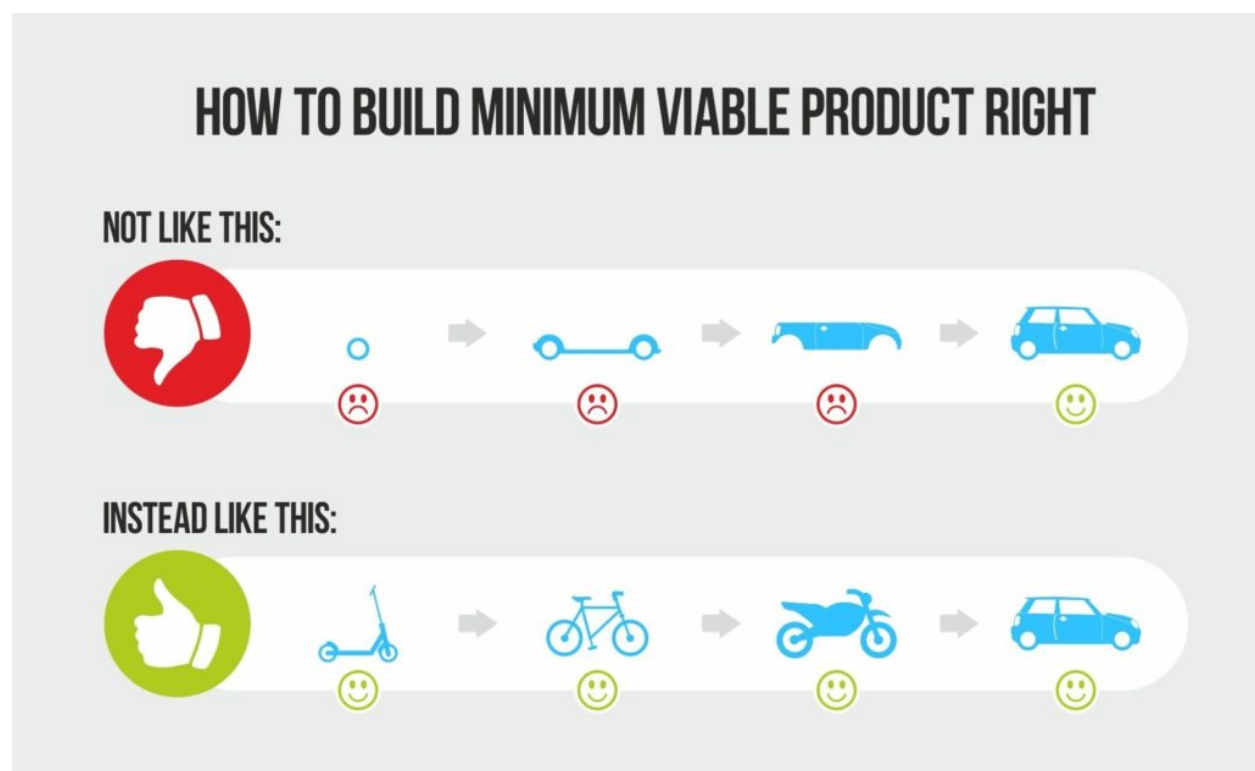
Financing Your Business

Starting a business costs money. Every entrepreneur needs to find a financing strategy to get started. Depending on the business you're in, the scale of it, the resources at your disposal, and the strategic decisions you will make, your startup costs can vary.

You need to first start by determining what your start-up costs are going to be. Start-up costs are essentially everything you need to spend money on in order to get your business started. For a carver who wants to create a formal business to sell his art, start-up costs can be very low. For a new construction company, start- ups costs can be extremely high! Some examples of start-up costs include: equipment, buildings, insurance, inventory, supplies, vehicles, etc.

Where Do Startups Get Their Money?
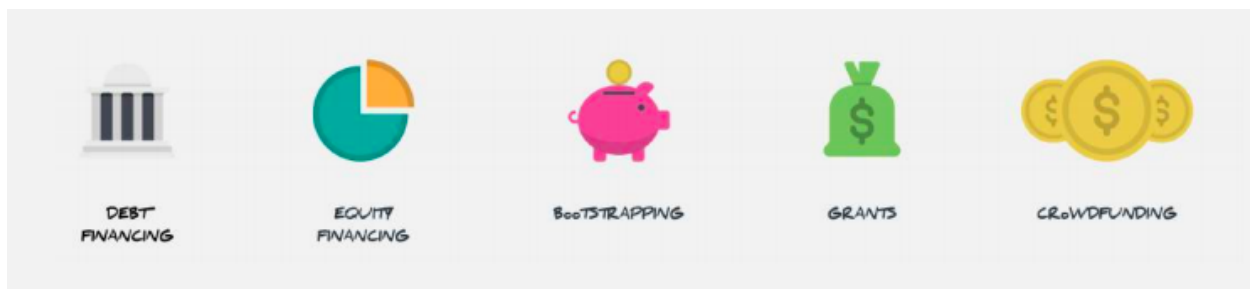
DEBT FINANCING   EQUITY FINANCING   BOOTSTRAPPING   GRANTS   CROWDFUNDING

Debt Financing

Debt financing is money that is given to you in exchange for a later repayment. This is borrowed money. Examples of debt financing options:

- Loans (ie. bank loan)
- Peer to peer lending
- Line of credit
- Credit cards
- Mortgages

+ Full ownership and control of your company (the bank has no say in how you run your business)	**−** Must repay the loan + interest
+ Relationship ends once the money is paid back	**−** Fixed amount of time to repay the loan
+ Principal + interest are known figures that you can plan for in your budget.	**−** You may be seen as 'high risk' to potential investors
+ Can be short term or long term	**−** Your 'security' is at risk, if all fails and you can't repay the loan
	− It can be difficult to invest in the growth of your business if your repayment costs are too high

Equity Financing
Equity financing is money that is given to you in exchange for a piece of ownership of your company.

- Share purchase (IPO)
- Angel investors
- Venture capital
- Other investment firms / corporations

➕ Typically, investors will offer you expertise.	➖ You lose ownership a certain level of control over your business.
➕ It's less risky than a loan - you don't have to pay it back.	➖ Before you make decisions, you'll have to consult your investors.
➕ You have more cash on hand to grow and expand the business.	➖ You have to start working for your investors.
	➖ You may disagree with your investors, but have little choice to listen to them.
➕ If the business fails, there's no requirement to pay back the investment.	➖ The returns (or pay) to the investors may be more than a loan repayment.

Crowdfunding

Crowdfunding is using small amounts of money from multiple investors to finance your business. Usually, crowdfunding is done through the means of 'pre-sales', where an investor would give you money in exchange for one of your products. Examples of crowdfunding platforms include:

- Kickstarter
- Indigogo
- GoFundMe

➕ Great marketing & sales tool.	➖ It can be difficult to raise enough money in a short amount of time (it's a gamble).
➕ Great for validation - the platform provides a forum for feedback on the project.	➖ Exposing your idea to the public at an early stage puts you at risk for copycats.
➕ It's not very expensive.	
➕ It's low risk for investors	➖ Investors are not protected against fraud/scams.
➕ Great way to generate pre-sales + reach a large audience.	➖ You need to deliver on your promises.

Grants

A grant is a non-repayable cash amount that is usually given by government, corporations, trusts, foundations, non-profits, and educational institutions.

Grants usually are not given in great amounts. If you are looking for substantial funds to grow your business, you will likely need to look at equity financing or debt financing.

➕ It's free money!	➖	Typically a time consuming application process.
➕ There are many grants available to you in Nunavut.	➖	There are strings attached to the $ you get. You can't spend it however you want.
➕ You typically get advice/mentorship from the grant administrator.	➖	Typically high competition.
	➖	It can take a lot of time to process.

Bootstrapping

Bootstrapping is using the resources around you to finance your business. Bootstrapping a business often requires creativity as you have little means. Some examples of bootstrapping include:

- Owner's savings
- Operating revenue / pre-sales
- Friends and family

➕ Minimize expenses (less need for cash)	➖	You may not have enough cash to grow at your desired rate.
➕ You retain greater control and authority over your business decisions.	➖	It limits potential sales, market share, and overall competitive position
➕ It forces you to concentrate on selling to bring cash into the business	➖	Not enough support to grow at a high rate.
➕ It puts you in a good position to get financing in the future (personal investment).		

Assessment Overview for CCD

Overall Strategy

Students will be able to
- Explain the expectations and learnings of the CCD Modules
- Use various online and digital platforms to communicate learning
- Identify and achieve individualized Critical Skills benchmarks

Process
Although students will drive the direction of the project, it is the teacher's responsibility to manage the process and frame expectations for communication and assessment. Prior to choosing a project, students

must understand what is expected of them in terms of skill development and deliverables, and through what medium(/media) they will communicate to demonstrate, reflect upon and share learnings.

Communication
Explore the following with your students:
- Google Drive and Google Classroom - to share documents and links, send out reminders and other notifications, and assign tasks
- Digital Tools - cameras, video equipment, laptop, SD card etc.
- Workplace - for instant messaging and sharing with KI schools
- Wordpress or Medium - to share with the wider (global) community
    www.wordpress.com / medium.com

CCD Deliverables

Deliverables differ depending on the age range of the group and/or programme type. However, in all cases students are assessed on their engagement throughout the programme based on their reflections and your feedback.

Secondary students are expected to submit:
- Personal goal setting and self assessment of Critical Skills development
- 1 Multimedia Reflection per module (5 total).
- 1 Final Reflection about their learning journey - what they learned, how they grew, challenges, next steps. Includes a self-assessment.

Multimedia Reflection Assignments

Multimedia assignments are to be completed throughout the course where students reflect on an experience they had in CCD. Students can choose when they do these assignments, and in what format.

These are created to be publically shared on Workplace - unless otherwise stated. Some possibilities include:
- Written reflection (500 - 700 words)
- Photo journal (10 - 20 photos that tell a story)
- Podcast (5 - 10 minutes)
- Vlogs (2-4 minutes)
- Infographic

Notes
- Students can choose to do all assignments the same, but are encouraged to change it up
- Students can work alone, in pairs, or in a group
- Students may come up with alternative modes of presentation, but must discuss with their teacher
- To get a variety of experiences, students are asked to sign up in advance in a shared Google Document

Module 3 Deliverables

Business Model Canvas
SWOT Analysis
Customer Survey
Minimal Viable Product
Story Map
Mock Kickstarter Campaign

Tools for Giving Feedback and Gathering Evidence of Success

Student Journals
One-on-One Conferences
Peer and Self-Assessment
Checklists
Rubrics

Suggested Resources

Business Model Canvas Template
Business Model Canvas Workshop
SWOT Analysis Template
Story Mapping Template
Interviewing Tip Sheet
Customer Validation Workshop
Financing Your Business Workshop

Workshops and Lessons

3.1 Business Model Canvas

Does our social enterprise idea still seem viable after filling out the Business Model Canvas?
Creating a Business Model Canvas
2-3 hours

3.2 SWOT Analysis

Examining ourselves and competitors;; where are the strengths, weaknesses, opportunities and threats?

Analyzing Strengths, Weaknesses, Opportunities & Threats
1 hour

3.3 Customer Feedback

What questions can we ask to validate our idea?
Creating a Survey
2 hours

3.4 Creating an MVP

How can we gauge a need/want for our product or service by creating it in its most basic version?
Story Mapping
1.5 hours

3.5 Funding your Idea!

How can we fund our social enterprises start-up costs?
Create a Mock Kickstarter Campaign
2-3 hours

3.1 Creating a Business Model Canvas

Guiding Question

Does our social enterprise idea still seem viable after filling out the Business Model Canvas? How can we change it or pivot for it to become viable?

Outcomes

Determined value proposition, customer segments, channels, customer relationships, revenue streams, key resources, key partners, key activities, cost structure
Completed business model canvas

Vocabulary

Business Model Canvas
Value Proposition
Customer Segments
Channels
Customer Relationships

Revenue Streams
Key Resources
Key Partners
Key Activities
Cost Structure

Agenda

Warm Up exercise - 10 minutes
Create a Business Model Canvas - 1-2 hours
Debrief - 10 minutes
Next Steps - 10 minutes

Warm Up

The Silly Cow: Thinking of business models by letting creativity shine through!
1. Start by asking students to shout out different characteristics of a cow (ex. Produces milk, makes a "moo" sound, eats grass, etc). Write these characteristics on the board.
2. Using those characteristics, have students draw three different business models based on a cow. Some examples could include (cow billboard, lawn-mowing cow service, cow rentals, etc.) The more creative the better! Make sure students draw the idea.
3. Give students five minutes to come up with and draw their ideas.
4. Have students share their ideas and why they think their business models will be successful.

Experiential Activity: Creating a Business Model Canvas

For this activity, students will work individually or in small groups to complete a Business Model Canvas for the classes social enterprise.

Start first by showing the following videos:
What is a Business Model Canvas? https://www.youtube.com/watch?v=QoAOzMTLP5s
Starbucks Example: https://www.youtube.com/watch?v=3TWfp1pvxHY

Print out blank templates of the BMC for each student or have them fill out the canvas on Canvanizer.

1. Value Proposition: The value proposition is the reason why customers will want to buy your product or service over a competitors. Have students write down how their social enterprises product or service will provide value to the customer. Some examples can include: cost savings, time savings, status/popularity, convenience, performance, community benefit and many others. When the students are thinking about the value proposition, ask them the following questions:
    ○   What benefits do we provide?
    ○   Why does this make us unique?
    ○   What problems are we solving?
    ○   How are we improving lives?
    Here are more examples of company's value propositions.

2. Customer Segments: For the BMC, we don't look at customers asone big group of people. Instead, we identify different types of customers that share similar characteristics. Have the students write down three different customer segments for their social enterprise. Have them keep in mind the following questions:
   - Where do they live?
   - How can they be reaching?
   - What is their relationship to my business?
   - Why are they buying my product or service?
   - How much money do they make?
   - What do they like?
   - Are they filling a need or a want?
   - What is their gender?
   - How old are they?
   - What do they dislike?
   - What are their needs?

3. Channels: Channels are all about how you get your product to your customer. This is more than about delivery though. It includes everything from advertising to them, communicating with them, selling to them and shipping products to them. Generally there are five types of channels in the sales process. Have students write down answers in the Channels box for each channel.
   - Awareness: How will your customers learn that your product/service exists? (Ex. Facebook, radio, Google Ads, posters)
   - Evaluation: How will your customers judge your product/service in comparison to other options on the market? (Ex. Customer reviews, offering samples, free trials)
   - Purchase: Where and how can customers make a purchase? (Ex. Physical store, online, trade shows, sell-swap)
   - Delivery: How will your product/service get to your customer? (Ex. Over the counter, shipping, personal delivery)
   - After-Sales: What type of support or follow up will your customers receive after they make a purchase? (Ex. Return policy, email, customer assistance)

4. Customer Relationships: Customer Relationships are the different types of relationships you create with your customers. Types of customer relationships can include:
   - Personal Assistance: Providing customers with service and assistance when needed. (Ex. A stock person at a grocery store helping you find items)
   - Dedicated Personal Assistance: Having a single sales representative dedicated to the needs of a specific customer. (Ex. A seamstress creating a custom parka for a customer)
   - Self-Service/Automation: The business gives the tools to the customer to service themselves. (Ex. Self-service at the gas station or online shopping)
   - Communities: Providing your customers with a platform to interact with each other and your team. (Ex. Online forums)
   - Co-Creation: Giving more ownership to your customers. (Ex. Facebook users are the ones who create the content for the platform)

   Have students write down which types of customer relationship(s) will be needed for their social enterprise.

5. Revenue Streams: Revenue Streams are how your business will make money. Types of revenue

        streams include:

- Direct Sale of Products: Customer purchases a product directly from a store or online. (Ex. Purchasing groceries at the co-op)
- Usage Fee: Type of fee that companies charge to customers in exchange for use of their services. (Ex. When you pay for internet, you purchase a certain number of GB each month. If you want more, you must buy more usage)
- Licencing: Giving permission to an individual or company to use your product. (Ex. Carson Tagoona, a photographer from Nunavik, charges a fee to let others use his images)
- Subscriptions/Memberships: Customers pay a fee on a weekly, monthly, or yearly basis to use products or services. (Ex. A gym membership or a monthly subscription to Spotify)
- Advertising: Promoting another company's product or service on a website, a magazine, on a social feed, etc. (Ex. YouTube sells ad time and commercials before their videos play)
- Leasing/Renting: Allowing customers to temporarily use your company's assets. (Ex. Renting snowmobiles or ATVs)
- Brokerage Fee/Commissions: Revenue made from helping a company or individual sell their product. (Ex. When a gallery sells a piece of art to a customer, they will keep a portion of the sale and give the rest to the artist)
- Digital Products: A product that can be bought and downloaded online. (Ex. eBooks, illustrations, songs, design tools)

        Have students write each different revenue stream(s) that their social enterprise will have. Remember to be specific. If they are making revenue from a direct sale of their products, what products will those be?

6. Key Resources: These are the main resources that a business needs to carry out their activities and run their business. Key resources consist of:

- Physical Resources: Resources you can touch. (Ex. buildings, machinery, vehicles, inventory, equipment, etc)
- Financial Resources: Money you need to do your key activities. (Ex. A loan, a grant, investments, etc).
- Human Resources: The people who work for you - your employees. (Ex. Engineers, skilled hairdressers, designers, labourers, etc.)
- Intellectual Resources: Assets your can't touch (Ex. Books, articles, brand and copyright)

Have students write down examples for each type of Key Resource they will need.

7. Key Partners: Key Partners will help you carry out key activities or provide you with resources or supplies. Using the following questions, have students write down and partnerships they would need to form to successfully run their social enterprise:

- Who are they key partners and suppliers we need to make the business work?
- What key resources are we getting from them?
- What key activities will they perform?
- Will it be a beneficial partnership?
- How do they relate to us? (Competitor or friend?)

8. Key Activities: Key Activities are the taks a business must accomplish to function or fun. Key Activities are how a business fulfills its value proposition and include:
- Research and Development: Innovation, product research and product development
- Production: Product selection and design, inventory control , cost and quality control and order fulfillment and logistics
- Marketing: Communications, strategy, market research and events
- Sales and Customer Service: Sales assistance, problem solving and administrative tasks

Have the students identify each Key Activity for their social enterprise.

9. Cost Structure: The Cost Structure includes all of the costs a company comes across. These include both fixed and variable costs.
- Fixed costs: Costs that do not change with sales. (Ex. Rent, utilities, equipment, etc)
- Variable costs: Costs that do change with sales. (Ex. Production costs, marketing, shipping, etc).

Have the students list all of the fixed and variable costs associated with running their social enterprise.

Debrief and Reflection

1. What? What sections of the Business Model Canvas did you find easiest to fill out? Which sections were most difficult?

2. So what? Based off of your findings, do you think the business idea will be viable? (Ie. do the revenue streams outweigh the costs? Do you have the right partners? Do you have a strong value proposition? Do you have access to the right key resources?

3. Now what?

Next Steps

This is only the first iteration of the Business Model Canvas. As the validation stage progresses, the canvas will be revised based off the students findings. Remind the class that very rarely does a business or social enterprise succeed from the original idea. Validation allows the business owner to find out what works and what does and make the appropriate changes to the business model to ensure that it is successful.

Take Apple for example. In the early 90's, Apple was having a difficult time turning a profit, as they were trying to sell things such as digital cameras, portable CD players, and other household appliances. Realizing that this model wasn't working, Steve Jobs decided to change direction and focus on only a few products; making them beautiful and easy to use. Their new focus on the iMac and iPod allowed them to spend more time and money on developing these products, which in turn the consumers loved!

Some environmental social enterprises start out thinking they'll generate profit selling the end product they recycle harmful materials to. What ends up happening sometimes, is the service of recycling sold to big companies is more profitable and will lead to more recycling.

3.2 SWOT Analysis

Guiding Question

Examining ourselves and competitors;; where are the strengths, weaknesses, opportunities and threats?

Outcomes

Identified competitors strengths, weaknesses, opportunities and threats
Completed SWOT analysis

Vocabulary

Strength
Weakness
Opportunity
Threat

Agenda

Warm Up exercise - 10 minutes
 Analyzing Strengths, Weaknesses, Opportunities & Threats - 30 minutes
Debrief - 10 minutes
Next Steps - 10 minutes

Warm Up

SWOT Analysis - McDonalds: Identifying the Strengths, Weaknesses, Opportunities, and Threats of McDonalds.
1. Ask students to share what they think McDonalds strengths are. Some examples can include: having a strong recognizable brand, locations all over the world, affordable food options, consistency of food in each location.
2. Next, have students share their perceived weaknesses of McDonalds. Examples include: unhealthy menu items, negative publicity, high employee turnover.
3. Now, have students identify opportunities for McDonalds. Examples include: Creating healthier menu items, reducing negative environmental impact, expanding into new markets.
4. Finally, have students share potential threats for McDonalds. Examples can include: Increased competition, health-conscious customers, less meat-eaters

Experiential Activity: Analyzing Strengths, Weaknesses, Opportunities & Threats

Groups will now create a SWOT Analysis for both their own social enterprise and two likely competitors.

A template for the SWOT Analysis can be found here.

Debrief and Reflection

1. What? What were the strengths, weaknesses, opportunities and threats for our social enterprise?

2. So what? How will we be able to leverage those strengths and opportunities? How will we be able to overcome those weaknesses and threats?

3. Now what? What must we consider based off of the SWOT analysis done for our competitors? Is there anything we can change to ensure we better compete with them?

Next Steps

Consider ways to overcome weaknesses and mitigate threats and discuss options as a class.

3.3 Customer Feedback

Guiding Question

What questions should we be asking to validate our idea?

Outcomes

Administer interviews
Create and distribute surveys
Collect and analyze information

Vocabulary

Customer Interview
Validation
Survey

Agenda

Warm Up exercise - 30 minutes
Creating a Survey - 1 hour
Debrief - 10 minutes
Next Steps - 10 minutes

Warm Up

Customer Interview: Mock interviews to gain experience and confidence in speaking with potential customers.

1. As a class, come up with 5 to 10 questions you would want to ask a potential customer about your social enterprise idea to see if there is a need or want, to get valuable feedback, and to get insights about the customers interests, buying habits and future needs
2. Split class up into pairs
3. Taking turns, have one student be the interviewer, and one person be the potential customer
4. The interviewer's goal is to get as much insight as they can on the customers needs, wants, and purchasing behaviours.
5. Give students the following tips before conducting their mock interviews
   ○ Ask open-ended questions
   ○ Focus on listening and learning about the customer's problems
   ○ Ask for recommendations
   ○ Write or record everything!
6. After the first interview, have students switch roles and re-do the role play
7. After the interviews are complete, have students share what they learned about their potential customers needs, wants, purchasing behaviours, pain points, etc.

Experiential Activity: Create a Survey

Have students create a survey that they can either do in person in their community or send out via email and/or Facebook. Surveys can be created using Google Forms.

Surveys should aim to answer questions such as: Who is my target market? Is my product or service in demand? How much would people pay for my product or service? Below are some examples of questions that can be used:

Demographic
- Where do you live?
- How old are you?
- Are you a student? Employed? Unemployed?

Behavioral
- How often do you use your phone?
- How much coffee do you drink per week?
- How much do you spend on your dog per month?

Demand
- Have you ever used a competitor's product? What did you like? What didn't you like?
- What is the likelihood that you would purchase our product/service?

- Is there anything you would change about our product/service?

Pricing
- At what point would our product/service be too expensive?
- At what price would you consider it a bargain.

Feel free to use multiple types of questions, but try to keep them open-ended and receive as much information as you can!

Debrief and Reflection

1. What? What is the most important information we are looking to receive from conducting interviews and sending our surveys?

2. So what? How will we use that information to inform our business decisions and decide on key features of our product/service?

3. Now what? Who will we interview and how will we get our surveys to as many respondents as possible?

Next Steps

Have students interview at least 5 people in the community and send their surveys out to as many people as possible to gain feedback.

3.4 Creating an MVP

Guiding Question

How can we gauge a need/want for our product or service by creating it in its most basic version?

Outcomes

Create an MVP

Vocabulary

Minimal Viable Product
Story Mapping

Agenda

Warm Up exercise - 10 minutes
Story Mapping - 1 hour
Debrief - 10 minutes
Next Steps - 10 minutes

Warm Up

Hunting Store Validation: How would you complete customer validation for a new hunting supply store in the community?

1. Break students off into groups and have them come up with answers to the following questions:
   - If you had to start a new hunting supplies store in _____, what are the main things you'll need to validate? (example of answers: type of equipment, price, brands, channels)
   - How would you do it? Make an action plan for the validation of your new hunting supplies store. (example of answers: first, we would interview at least 50 potential customers. Then, we would do our research online. Then, we would talk to industry experts to figure out what the rules and regulations are, and what tips they have, build an MVP, get customers to sign letters of interest)
   - How can you build an MVP for your hunting supplies store? Keep in mind that your MVP should not cost you a lot of money, and provide you with quality validation from your customers. (example of answers: create a catalogue, landing page)
2. Share answers as a group.
3. If time permits, you can redo this activity with another business example such as an apparel company, a furniture store, or a bed and breakfast.

Experiential Activity: Story Mapping

Individually, or in small groups, students will work towards creating a Minimum Viable Product by using the process of Story Mapping. Start by showing the class this video on what a Minimum Viable Product is.

Next, give the class the example of how Dropbox created and tested their Minimum Viable Product.

Dropbox is an online home for all your work. It allows you to store, share, and collaborate on files from your phone, computer, or tablet, all in one safe place. Dropbox also allows you to share large files with anyone, just by providing them with a download link! Dropbox create an MVP with no product at all! Instead of building their product first without actually knowing if people were going to use it, they decided to make a demo video to test their audience's interest. Dropbox released a video showcasing how their product would work when fully functional and asked viewers to leave their contact information if they would be interested in the product when it is completed. The feedback was overwhelming and the waitlist reached up to 75,000 people overnight! This helped Dropbox ensure that their product was going to be well received when they launched the full version.

Show the class the video example of Dropbox's MVP.

Minimal Viable Products can come in many forms. This can include:

- Explainer videos
- Mockups (ex. Pitch decks, landing webpage, product sketch)
- Scaled back version of product/service
- Crowdfunding

Story Mapping is all about laying out the user's journey and building an MVP based only off of what the user really needs to use the product or service in it's initial stages.

Activity Resource: https://www.cayenneapps.com/blog/2014/11/25/5-steps-to-building-minimum-viable-product-with-story-mapping/

For this activity, we will be using the example of a product in which people can use to assemble their own customized shoes. The end product will allow customers to choose their own colours, styles, and fabrics to create a one-of-a-kind sneaker. Students should fill out the template using their own product/service.

Step 1: Capture the primary goal of your product

- Have students define the main goal of their social enterprise. What must be fulfilled in order to satisfy the customer?

PRIMARY GOAL: Allow users to receive an individual, customised pair of shoes

Step 2: Define the main process in the product.

- Have students write down what steps are needed to accomplish the goal in which they have already defined. These should be listed as each step it takes for the customer use the product or service.

PRIMARY GOAL: Allow users to receive an individual, customised pair of shoes

USER FLOW

| Customize Shoe | Buy Shoe | Manage order | Deliver order |
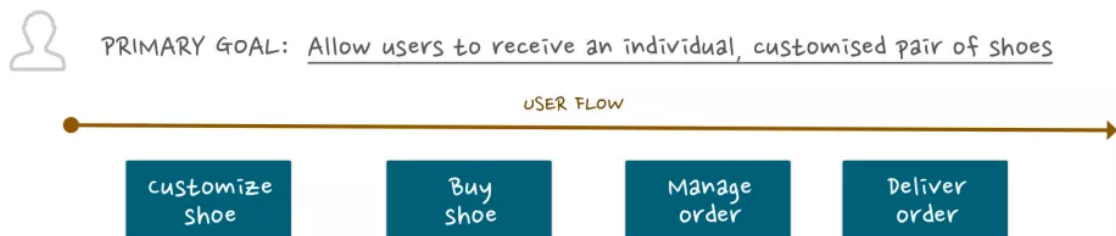
Step 3: Create a list of features for each stage

- Students should now look at each step in the process and list a number of features which should be a part of each stage. Try to list as many features as possible.
- For example, features for the stage of "Customize a Shoe" can include: choose a colour, choose a pattern, generate a preview, save your shoe for later, etc. Features for the stage "Buy a Shoe"
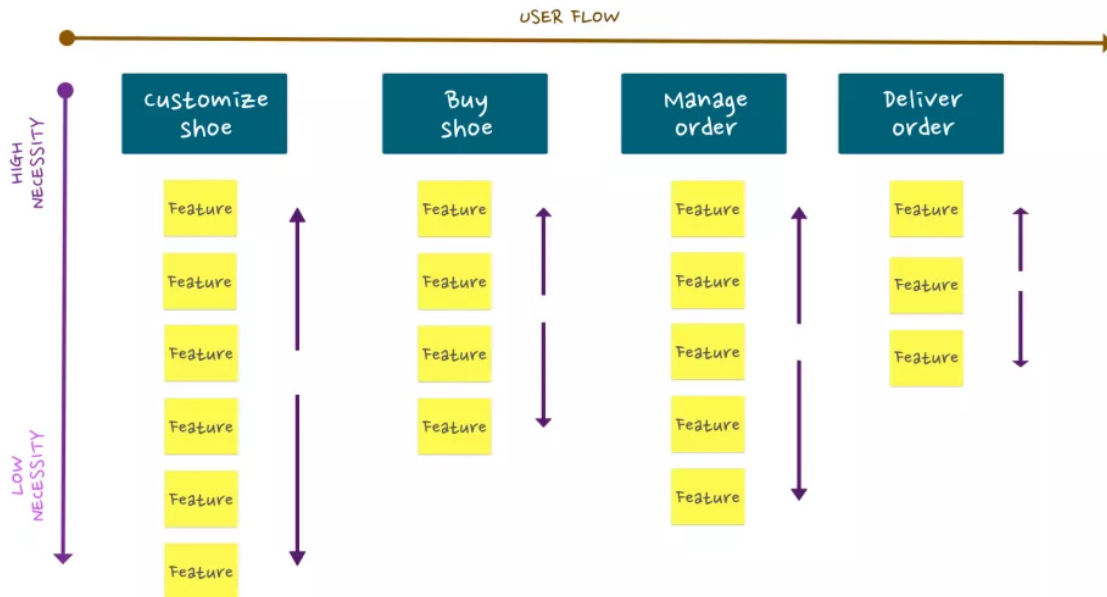
can include: Pay with a credit card, pay with PayPal, use a coupon code etc.

Step 4: Prioritize the features inside lists

- Next, have students prioritize which features are most important. The highest importance can be placed at the top of the map and lowest importance towards the bottom. To help determine importance, students should answer the following questions:
    - How important is this feature for finishing the process?
    - How often will this feature be used?
    - How many users will use this feature?
    - How much value will the feature bring to the customer?
    - How risk is this feature?

PRIMARY GOAL: Allow users to receive an individual, customised pair of shoes

USER FLOW

HIGH NECESSITY

LOW NECESSITY

| customize shoe	Buy shoe	Manage order	Deliver order
Feature	Feature	Feature	Feature
Feature	Feature	Feature	Feature
Feature	Feature	Feature	Feature
Feature	Feature	Feature	
Feature		Feature	
Feature			

Step 5: Define the MVP

- Now that the features have been prioritized, the first row on the map represents the smallest possible version of a working product. This can be called the "Walking Skeleton".
- Have students draw a horizontal line across the map that separates features that are "must-haves" from features that are either "nice-to-have" or "not necessary". The features on top of the line will represent our Minimum Viable Product!

PRIMARY GOAL: Allow users to receive an individual, customised pair of shoes
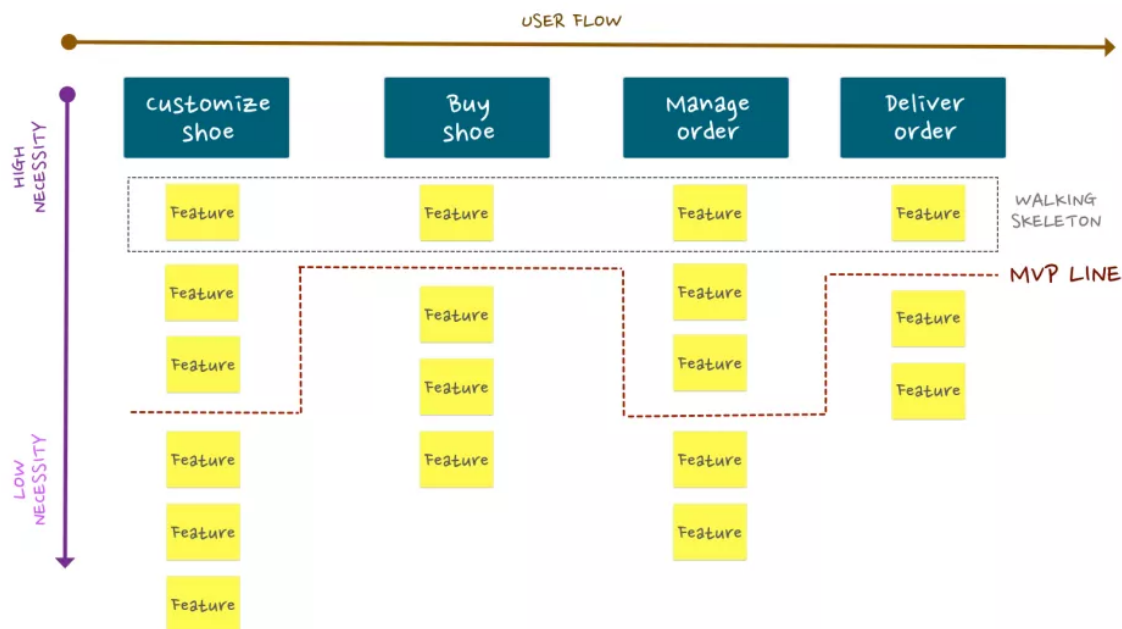
Debrief and Reflection

1. What? What does the Minimum Viable Product look like? What form does it take?

2. So what? How will we create this Minimum Viable Product?

3. Now what? What resources do we already have to do so? What resources do we need to acquire? Who in the community can help us with this?

Next Steps

Have the class work on building an MVP based off of the above findings. Students should now also be working on interviewing customers and developing surveys in which they can send out to community members to gauge interest of their business idea(s). Information on how to interview and conduct surveys can be found on page 125 in the Student Guide.

3.5 Funding your Idea!

Guiding Question

How can we fund our social enterprises start-up costs?

Outcomes

Determine how to fund the social enterprise
Create a mock Kickstarter campaign

Vocabulary

Social Economy

Agenda

Warm Up exercise - 10 minutes
Create a Mock Kickstarter Campaign - 2 hours
Debrief - 10 minutes
Next Steps - 10 minutes

Warm Up

Types of Funding: Where do startups get their money?

1. Before beginning the activity, ask students to give examples of start-up costs that will be associated with their business idea. Start-up costs can include things like equipment, buildings, insurance, inventory, supplies, vehicles, etc. Ask students to be specific when listing off start-up costs and write them on a whiteboard or large poster sheets.
2. After listing all of the start-up costs, discuss what the estimated cost would be to get this business up and running.
3. Then, explain to students that there are a number of different ways for start-ups and small businesses to acquire the funding they need. Explain each way and ask students to list the pros and cons for each. Pros and cons can be found in the Background Information section if needed.
   ○ Debt Financing: Debt financing is money that is given to you in exchange for a later repayment. This is borrowed money. Examples of debt financing include: bank loans, lines or credit, credit cards, etc.
   ○ Equity Financing: Equity financing is money that is given to you in exchange for a piece of ownership of your company. Examples include: share purchase, angel investors, venture capital.
   ○ Crowdfunding: Crowdfunding is using small amounts of money from multiple investors to finance your business. Usually, crowdfunding is done through the means of 'pre-sales', where an investor would give you money in exchange for one of your products. Examples of crowdfunding platforms include: Kickstarter, Indigogo, GoFundMe
   ○ Grants: A grant is a non-repayable cash amount that is usually given by government, corporations, trusts, foundations, non-profits, and educational institutions.
   ○ Bootstrapping: Bootstrapping is using the resources around you to finance your business. Bootstrapping a business often requires creativity as you have little means. Some

examples of bootstrapping include: Owner's savings, operating revenue/pre-sales, family and friends.

4. As a class, looking at the pros and cons of each, discuss which would be the best way to fund the classes social enterprise. More than one way may be applicable. Try and get specific as possible about where and how they would get the funds required.

Experiential Activity: Create a Mock Kickstarter Campaign

Walk through all of the steps necessary to create a Kickstarter campaign. If necessary, the class can later use the information the create to launch a campaign! Kickstarter helps artists, musicians, filmmakers, designers and other creators find the resources and support the need to make their ideas a reality.

You can begin my showing this video, explain what Kickstarter is and how it works.

Using large poster sheets, or the whiteboard, create the following categories. As a class, write down the answers to each of the questions that would be required when creating a Kickstarter campaign. More in depth information on what should be included in each category can be found here in the Creator Handbook.

Telling Your Story

- Who are you? Introduce your team and show any similar work you've done in the past.
- What are you planning to make? Show any sketches, samples or prototypes for the product or service you're looking to launch.
- Where did this project idea come from? Explain what the challenge you are looking to solve is, how you got the idea, what progress you've made, and how to look to solve the challenge.
- What does you schedule look like? Provide a clear timeline on things such as: developing partners, creating an MVP, launching the business, etc.
- Why do you care? Explain why you are passionate about making your ideas come to life! What is your social, environmental or cultural mission?
- How can you showcase your project using media? What types of photos, videos, or sound clips would you use or develop to help explain your project?

Building Rewards

- What will you offer? If people back your project, what types of rewards can you offer them. If you're stuck, here are some reward ideas! To make sure you're staying within the rules, here are all the rewards that are prohibited.
- How will you price your rewards? What will you offer to your backers for $10, $50, $100, $1000, etc?
- How many quantities of each item will you reward?

Funding

- How much money do you need to start your business? Make a list of all your possible expenses and total up everything. Remember, Kickstarter is an all-or-nothing funding model. If your project doesn't reach its goal, then you don't receive any funds.
- What audiences can you rely on to help? Make a list of people or organizations that you think would help your cause.
- When is your deadline? Funding periods can last from one to 60 days, but projects lasting 30 days or fewer have shown higher success rates on Kickstarter. How long would your campaign last for?

Promotion

- How will you spread the word about your campaign? Will you contact the media? Leverage bloggers? Partner with another organization? Some more ideas on how to spread the word can be found [here](#).
- How will you announce your project is live? Think of ways to generate hype like hosting an event in the community, creating a launch on Facebook, or a social media campaign.
- Which press will be important to contact? What newspapers, radio stations, online publications or other forms of press will want to know about your project?

Communicating with Backers

- What types of updates will you provide? How will you showcase your projects successes and challenges as they happen?

After writing down the answers to all these questions, the class will have a plan to launch a Kickstarter campaign if they need it for their social enterprise.

Debrief and Reflection

1. What? Would a Kickstarter campaign be a good way for us to raise money for our start-up?

2. So what? Are there other ways we can think of to raise money?

3. Now what? Which method will we pursue? What resources do we need? Who do we need to connect with?

Next Steps

If there is a need for start-up funding, determine which method will work best: debt financing, equity financing, crowdfunding, bootstrapping, grants or crowdfunding.

3.6 Reflective Assessment

Students will create a short Digital Story about the Module 3 experience, using all of the footage and notes that they have collected in the previous weeks activities. (50 minutes)

There are many ways that you can approach digital stories but the outcome for this class can be the following:

- 2-minute film's of spoken word, songs, drama, or documentary.
- Blog entry - journal style or photo journal style

The Digital story should not exceed 250 words in script, and should include a personal or community story. These will be written and recorded using classroom editing and desktop filmmaker tools, photos taken in class, and can include video, animation and music. Any external images included must be copyright free.

Develop the **specific criteria for success** for your students in these areas:
- Story outcome - length, media type, content specifics, topic
- Skills - use of digital tools, collaboration, communication

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