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THE BUSINESS MODEL CANVAS "CAMELINA OMEGA 3 PLUS"

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Summary: *The Business Model Canvas "Camelina omega 3 Plus" is a transpose in practice of the information from the best seller book "Business Model Generation – A handbook for Visionaries, Game Changers and Challengers" written by the Alexander OSTERWALDER & Yves PIGNEUR and of the knowledge accumulated from the complex and diverse activities carried on during project H₂₀₂₀ - EU RUR-09-2017 "Replicable business models for modern rural economies (RUBIZMO), financed under Grant Agreement N° 773621, in which the Business Model Canvas is a basic tool. Firstly, the paper is focusing on a clear presentation of the structural elements (9) of the business model canvas – (PC) Key partners and partnerships, (AC) Key activities, (R-C) Key resources, (PV) Value propositions, (CA) Channels, (RC) Customer relationships, (SC) Customer segments, (\$C) Costs structure and (FV) Revenue Streams. Further on it is presented the description, analysis and design of the Business Model Canvas "Camelina Omega 3 Plus", a case study for inspiration of those who are interested to develop or who are already running a sustainable business based on similar values as the company "Camelina Omega 3 Plus".*

Keywords: *business, model, canvas, camelina, omega 3*

JEL classification: *O31 (Innovation and Invention: Processes and Incentives)*

INTRODUCTION

The paper is inspired from the first chapter "The business Model Canvas" (BMC) of the book "Business Model Generation – A Handbook for Visionaries, Game Changers, and Challengers" written by the Alexander OSTERWALDER and Yves PIGNEUR in cooperation with 470 experts from 45 countries and published in 2010, simultaneous in USA and Canada, by John Wiley & Sons, Inc., Hoboken, New Jersey. The Business Model Canvas was proposed in 2004 by Osterwalder A. in his earlier PhD thesis "Business Model Ontology, a Proposition in a Design Science Approach". At that time there was no model to express a company's global business logic from a pure business point of view. The existing models essentially had an organizational or process perspective or covered only parts of a firm's business logic (Osterwalder, A. PhD thesis 2004). This paper is based, also, on the knowledge accumulated from the complex and diversified activities carried on during EU H2020 project "Replicable business models for modern rural economies – RUBIZMO", a new European initiative working to discover the vital ingredients for developing entrepreneurship and successful business models in high potential sectors as food and agriculture, new bio-based value chains and ecosystem services (<https://rubizmo.eu/project>).

As follow from the declarations of those who used the "BMC", it is an efficient and simple instrument for discovering, describing, analysing and (re)design of any kind of business, and, maybe, of any phenomena or activity from society and nature. It is one-page visual graphics which facilitates reading and debate, stimulates the team work, a common language, imagination, holistic thought, not getting blocked in details and not offering direct solutions. In the same time, the BMC is a strategic management tool to quickly and easily define and communicate a business idea or concept, structuring the idea or concept in a coherent way (Ebinum, M.; 2016). Also, BMC is a hands-on tool that fosters understanding, discussion, creativity and analysis (Ostervalder, A. & Pigneur, Y. 2010), the essential elements which revolutionised the most of the business models of

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the world. BMC is based on nine (9) building blocks (pillars) - (PC) Key partners and partnerships, (AC) Key activities, (R-C) Key resources, (PV) Value propositions, (CA) Channels, (RC) Customer relationships, (SC) Customer segments, (\$C) Costs structure and (FV) Revenue Streams that cover all areas of a business - Offering, Customers, Infrastructure and Financial Viability (Alexander Osterwalder, A. and Pigneur, Y 2010). The business case "Camelina Omega 3 Plus" is studied using the canvas for the analysis of the business environment, as a business strategic management tool for the prevention of the short lifespan of the proposed business.

MATERIALS AND METHODS

The Business Model Canvas (BMC) needs equipment - laptop or tablet, recording devices, like mobile telephone, and objects and materials: - blackboard or whiteboard and flipchart; chalk for blackboard; dry erasable pens and markers for whiteboard; colour pens or/and markers or cardboards post-it; sponges, magnets, notebooks, writing paper, at least, in A4 size and/or posters etc. Also, the method is that proposed by the Osterwalder, A., & Pigneur Y. (2010) and many other experts which think it as perfect:

1. Draw or print the business model canvas, on blackboard/whiteboard or, preferable, on a poster paper, with all nine (9) business model pillars (Fig. 1), in a rational arrangement, in the left side - the pillars which means the costs or economic efforts, and in the right side - the pillars that means the value or economic effects, and then, in case of poster, post it on a wall or flipchart. Also, the business model canvas has to contain only information specific to each pillar and proper to each business model or business case, existent in the moment of canvas drawing.

Figure. 1. The Business Model Canvas Template
(Osterwalder, A., & Pigneur, Y. 2010)

(PC) Key Partners and Partnerships	(AC) Key Activities	(PV) Value Propositions	((RC) Customer Relationships	(SC) Customer Segments
	(R-C) Key Resources		(CA) Transport Channels	
(\$C) Costs structure			(FV) Revenue Streams	

2. Form the working team from a limited number (4—8) of reliable persons who know the business model or case, with ages, education and experience similar, as well as different cultural environments – production of goods and services, management, marketing, finances, suppliers, consumers, customers, partners etc., among of them one will be moderator;

3. Present the concept of the business model using a language that all understand and in an attractive and simple style, without excessive simplification of the complex function of the business;

4. Start, simultaneous, the discussions and sketch out the business model with all team, each participant is requested to tell, on short and with arguments all he knows about the business model

or case, or, at least, an idea at each pillar. Also, the order of structural pillars study is aleatory, but it is not started other pillar study until the discussions about a pillar is not exhausted. The discussions and outline of the business model can be facilitated by the general questions proposed by Canvaziner 2,0 Demo blog (<https://canvanizer.com/new/business-model-canvas>) and many other sources. The questions are related to the type and characteristics of the business, affiliated, services – such as consultancy and technical assistance, premium products and personal services (post-sales), payment types etc. This activity is crucial for the development of BMC, because during this process can be discovered elements which were not observed before, such as connections between pillars and innovative elements of the business model. Also, it is to be taken into account that this activity is consumer of time, materials - paper (sometimes hundred meters), post-its, markers, chalk, energy and, of course, some protocol consumables: tea, coffee, water, juices, snacks etc.;

5. Synthesize the reading, discussion/debate and imagination results in a holistic manner, oriented to practice;

6. The BMC process final phase is communication of new business ideas and the estimation of economic, social and/or environmental results of the proposed business. Usually, in this phase it is presented the future business model innovations based on inspiring and adequate concepts, such as SMART or Sustainable Development concepts. These concepts are paving the way on how to make a profitable company, including how the business was run and how it will be designed in the future, for the transition from Red Ocean category, with strong competition and low revenues, in the Blue Ocean category, without or with less competition and low costs and satisfactory revenues.

RESULTS AND DISCUSSIONS

The business model canvas was not changed at all as shape and content since Osterwalder, A., & Pigneur, Y. published the book "Business Model Generation - A Handbook for Visionaries, Game Changers, and Challengers", most of the scientists and businessmen being concern themselves with understanding and successfully applying this concept into practice. In many cases the business model canvas seems to be a universal and revolutionary tool in businesses strategic management, like wheel discovery for the humanity. According to the results of analysis of many Business Model Canvas out existing on the internet, from the all domains (*production, distribution and trade*) and sectors (*public, private and social*) of economy - from industries involved in the extraction and production of the raw materials, the industries which produce finished usable goods or are involved in construction, services, research and development etc., all business models have nine (9) pillars: (PC) Key Partners, (AC) Key Activities, (R-C) Key Resources, (PV) Value Proposals, (RC) Customer Relationships, (CA) Channels, (SC) Customer Segments, (\$C) Costs Structure and (FV) Revenue Streams and each pillar has, more or less, a small examples number: PC:1-9, AC:1-5, R-C:1-10, PV:1-7, RC:1-6, CA:1-10, SC:1-5, \$C:1-14 and FV:1-5, as well as using a specific languages, no detailed, to each business model/case. However, why 9 pillars of BMC? Why not more many, as Osterwalder and Pigneur expected, or less because the (RC) Customer Relationships and (SC) Customer Segments belong to customers area? The number 9 of the structural pillars of BMC is, maybe, "the complete number of s total analysis (*Allendy, R., F.*). Also, BMC structure cover all four areas of a business - *Offering (PV), Customers (RC and SC), Infrastructure (PC, AC, R-C, and CA) and Financial viability (\$C and FV)*. The famous business companies like: Air BnB, Alibaba, Amazon, Car&Go, Easybank, FounderCo, IPOD-ITUNES, GILLETE, HILTI, IKEA, LEGO, TESLA, ZARA, WALMART, WIKIPEDIA etc. do not use a very detailed business canvas (*Gira., M. 2020*), each pillar of the BMC having between 1 – 5

patterns. The BMC can assist mainly the new and visionaries entrepreneurs, for classification of the business model according to business model definition of Osterwalder, A., & Pigneur, Y. (2010) – *The reason for what the enterprise or entrepreneurs Create, Supply and/or Attract Value*, in the business models based on: Creation, Supplying and/or Attraction of the Value.

Case Study: Business Model Canvas "Camelina Omega 3 Plus"

The business model canvas "Camelina Omega 3 Plus" is probably, the first Romanian example explored by BMC method. Camelina Omega 3 Plus is a business company established in 2020 for commerce retail by direct marketing and electronic commerce (*NACE class 4791*). Camelina is a niche agriculture crop cultivated to produce seeds rich in fats, proteins, cellulose, minerals, vitamin E etc. (*Toncea, I. 2014*). Also, from Camelina seeds is extracted oil rich in omega 3 and omega 6, and is produced meal rich in proteins and cellulose (*Toncea, I., et al. – 2013*). In the following paragraph, we will present the business model canvas "Camelina Omega 3 Plus" (Fig 2), inclusive specific explanations and practical examples for each pillar.

(CP) Key Partners and Partnerships – each participant at the common activities or engaged in business transactions for decreasing the high costs, risk and uncertainty of business, as well as to get resources and develop new activities. In case of the business Camelina Omega 3 Plus, the main partners and partnerships are suppliers of Camelina seeds, oil and meal, respectively Affiliates - cooks, pharmacists and sport trainers, Research and Development Institutes for Agriculture and Bio-resources of food and Faculties of pharmacy and medicine (R&D) and the Orders Houses.

(AC) Key Activities – are specific to each business model and are the basis for creating, supplying and attracting value in order to maintain customer relationships and to gain revenues. In most of the business cases the key activities are: *producing of goods and services* according to market quantitative demand and in the same time of superior quality; *finding solution(s)*, in the shortest time, for customer's problems and *management and promotion* of the businesses. According to official documents of establishment, the key activity of the Camelina Omega 3 Plus SRL is retail commerce by orders houses and internet (*NACE class 4791*), that belongs of management and promotion of the businesses.

Figure. 2. The Business Model Canvas "Camelina Omega 3 Plus"

(PC) Key Partners and Partnerships √ Partners: Camelina seeds, oil and meal Suppliers √ Partnerships: - Affiliates - R & D - Orders Houses	(AC) Key Activities √ Commerce retail by orders houses and internet (<i>NACE class 4791</i>);	(PV) Value Propositions √ Seeds clean and health and rich in fats, proteins, cellulose, minerals (mainly iron and zinc) and vitamin E	(RC) Customer Relationships √ Personal and dedicated personal assistance; √ Online sharing information, knowledge and experience	(SC) Customer Segments √ Niche market, with specific and specialised customer segments
	(R-C) Key Resources √ Experts in camelina cultivation and seeds processing, and marketing	√ Oil premium with delicate aroma and rich in ω3 and ω6 √ Meal with good taste and rich in proteins and cellulose	(CA) Channels √ Sales team √ <u>www.camelina.ro</u> , and other online sites √ Channels preferred by the customers	
(\$C) Costs Structure √ fixed and variable costs; √ diverse cost strategy			(FV) Revenue Streams √ revenue streams from the customer segments;	

(R-C) Key Resources – are proper to each business case or business model and are important to create, deliver and attract value, in penetration of markets, in maintaining customer relationships and in getting revenues. Although, there are many key resources types – *material resource*, *human resources*, *financial resources* and *informational (intangible) resources*, Camelina Omega 3 Plus SRL is based, for the moment, on the high professional qualification and long practical experience of the human resource in the camelina cultivation and seeds processing, as well as in the marketing.

(PV) Value Propositions – is the reason why customers turn to one company over another (A. Osterwalder, A., and Pigneur, Y.), because it satisfies their needs or solves a problem, it is a new and very attractive offer or a similar offer with another from the market, but it has additional characteristics and attributes. A value proposition of a good or service is sure when these are not returned/claimed and the customer comes back with further orders.

There are different types of Value propositions: *inventive* - which satisfy a new client's needs, *innovative* - with additional characteristics and attributes, *quantitative* - mainly as volume and diversity, and *qualitative* – accordingly with customer's needs and experiences. In the business case "Camelina Omega 3 Plus", the value propositions consist in: *Seeds* clean, healthy and rich in fats, proteins, cellulose, minerals (mainly iron and zinc) and vitamin E; *Premium Oil* with delicate aroma and rich in $\omega 3$ and $\omega 6$; and *Meal* with taste good and rich in proteins and cellulose.

(RC) Customer Relationships – are according to the Romanian concept "Our customer Our master" because "Customers comprise the heart of any business model" (Osterwalder, A., and Pigneur, Y. 2010). Each successful company is permanently preoccupied with customer relationships to attract more and more clients by listening to their wishes and identifying their needs, to transform customers in fans by offering solutions to their problems and increasing the sales by offering innovative goods and services. The customer relationships of the company "Camelina Omega 3 Plus" are: *personal assistance* based on human interactions by which the customers can communicate with company representatives any time - before, during and after sales, *personal dedicated assistance* – the staff of the company maintains friendly relationships with the important costumers and *the use of the online communities* for sharing information, knowledge and experience.

(CA) Channels – the main interface of a company with its customers. These are the means by which a thing is transported or transmitted from a place to another, or from one person to another for buying the goods and services, for supplying a value proposition, for assistance of customers post-buying, for the evaluation of the value propositions by the customers and for promotion of the goods and services of a company. Therefore, there are many types of channels, but the Camelina Omega 3 Plus company uses only four channels: *sales team*, *the web-site www.camelina.ro*, *online sites of other companies* and *channels preferred by the customers*.

(SC) Customer Segments

For deep understanding and better services, the companies group customers by needs and common behaviours, in customer segments. The most known customer segments types are: *the mass market*, with no strong differences between customer groups as size and diversity, and with similar needs and problems; *the niche market*, with specific and specialised customer segments as is our business case study "Camelina Omega 3 Plus"; *the segmented market* – with similar needs and problems, but with different size and value propositions; *the diversified market* – with diversified infrastructure

which can serve two or more customer segments and *the market platforms* - which bring together two or more distinct and interdependent customer segments.

(\$C) Costs Structure

Any business case or models implies financial resources, because at least one of the three pillars of BMC (Value propositions, Customer relationships and Revenues stream) induces costs. The economic sciences describe two types of costs: *fixed costs*, that remain the same indifferently of the goods and services production, such as: salary of the indirect productive staff, rents, physical facilities of production (consumptions of electric energy, natural gases, water etc.), taxes, building and equipment insurance, publicity expenses, phone subscription etc., and *variable costs*, that vary proportional with the volume of the goods and services produced and/or traded, such as salary costs of the personnel direct productive, consumption of raw materials for producing goods and services.

Also, each business model or business case has a cost strategy, depending on:

- value proposition: business with low value proposition, as the low cost strategy and business are based on high value proposition, with premium goods and exclusivity services;
- volume and diversity of goods and services: economy of scale – decreasing of unitary costs while the production is increasing, for example as result of low prices of wholesale acquisition and savings from specific activities – decreasing the unitary costs by increasing diversity of goods and services by using the same equipment and personnel.

The business case "Camelina Omega 3 Plus" has both of the costs types - fixed and variable and belongs to the strategy of diverse costs.

(FV) Revenue Streams – represent the arteries of a business model and is based on revenue streams from customer segments side. There are many types of revenues streams, but the most important type, including for "Camelina Omega 3 Plus", is the revenue streams from the customers. Also, there are different modalities for revenue streams generation, such as participating at inter/national projects, sponsorships, sales of the actives, taxes or commissions for various services, subscriptions, publicity for specific goods or services, or brand etc. In our case study, the opportunities to participate at national and international development programmes are an option for financial resources.

CONCLUSIONS

1. The Business Model Canvas (BMC) is an "universally goods" used by the new and visionaries entrepreneurs for analysis and generation of innovative business cases and models. It is enough to use just the framework of BMC for the complete and efficient description and analysis of any component of the phenomena or activities from nature and society.
2. The BMC is the first and the main step of business models generation, a hands-on tool that assures understanding of the business models and cases and fosters discussions, creativity and analysis;
3. The most important benefit of BMC is the holistic thought, that is not blocked into details;
4. The optimal structure of BMC is with 9 functional structural pillars because, maybe, "*The number 9 is perfect for a complete analysis*". Also, each structural pillar has to have 1-5 examples;
5. The case study of business "Camelina Omega 3 Plus" is mainly based on the delivery of value, and, in the near future, on the creation and delivery of value;
6. In the context of the present study assisted by the BMC method, Camelina seems to be a crop with less economic and social unknowns, but with many technical challenges;

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