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The Social Blueprint Toolkit: Social Blueprint Business Design Framework

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Jorge Calderon

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Foreword: Beyond the Standard Business Canvas

The conventional Business Canvas introduced by Alexander Osterwalder and Yves Pigneur, in their book “Business Model Generation”, has been and continues to be a useful business design tool. However, given that Osterwalder and Yves’ focus was mostly on traditional commercial enterprise development, their framework is not optimized to address the shifting and converging landscape of business and philanthropy.

In early 2013, Impact Strategy Advisors introduced the first version of the Social Blueprint Business Design Framework (“SB Business Design Framework”) to specifically support the development of social ventures.

The SB Business Design Framework is a business tool for individuals and companies building, evaluating and/or re-designing a purpose driven for-profit company, product, non-profit organization, program and/or project. The tool consists of twelve business building blocks that when completed should align with each other and should be in harmony with the anchor purpose.

The following guide describes the possible use cases, the various components and the building blocks in detail.

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Design Nuances

While the Social Blueprint Business Design Framework and the traditional Business Canvas tools share several fundamental elements, the following outlines the differences between the models:


- **Anchor Purpose:** Traditionally, commercial businesses are driven by the need to maximize profitability. Because social ventures are driven by a mixture of profitability and measurable impact, setting an anchor objective regarding what drives the company is critical. The Anchor Purpose describes the long term commitment being made to the social venture or program's stakeholders.
- **Design Pillars:** The building blocks are grouped into two design pillars, Business Case and Root Strategy. This was a tactical change that supports the interest of framework users in developing and evaluating their models in phases. The Business Case generally outlines the need or opportunity while the Root Strategy defines the operational elements necessary to make the model successful.
- **Stakeholders:** Commercial businesses generally only focus on customer segments and investors, while social enterprises can/could consider customers, beneficiaries, partners, investors and employees. To better address this distinction, we have redefined the customer and customer relationship building blocks to allow for additional stakeholder profiling.
- **Addressable Problem(s):** The conventional business canvas utilizes the Value Proposition and Customer building block to discuss the Problem being addressed. The depth of the problem is often oversimplified in this context and thus the updated framework includes a "Magnitude" building block in the SB Business Design Framework to allow for the articulation of the potential impact opportunity.
- **Economic Opportunity:** The conventional business canvas does not include a sense of financial scope. The Magnitude building block also provides space to identify the economic size of the business.
- **Differentiation:** One of the key missing strategy drivers in the standard canvas was reflecting on the competitive landscape and the innovativeness of the business design. The SB Business Design Framework includes a new Differentiation building block to identify the uniqueness of one or many of the business design components.

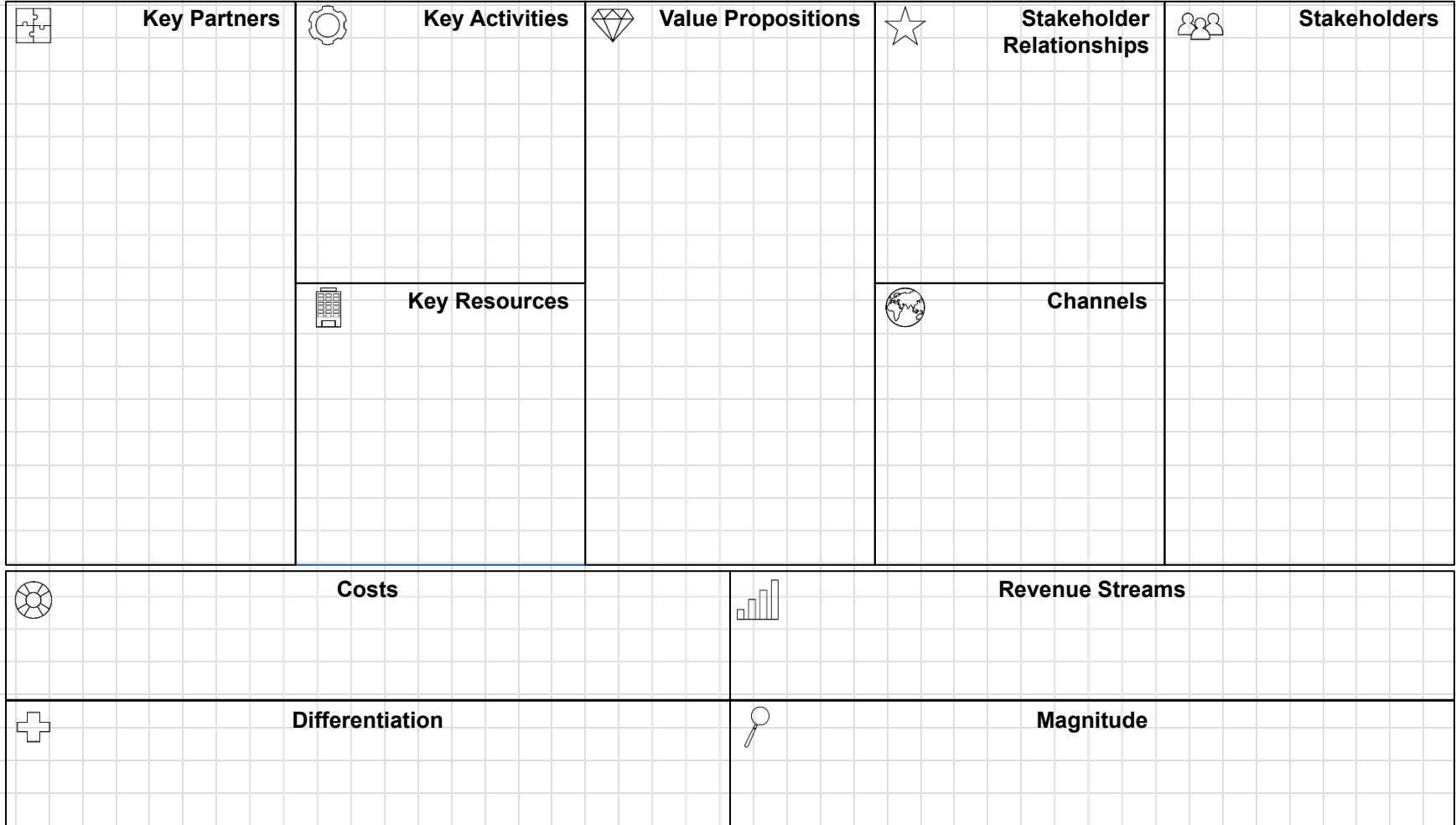
Possible Use Cases

*not exhaustive

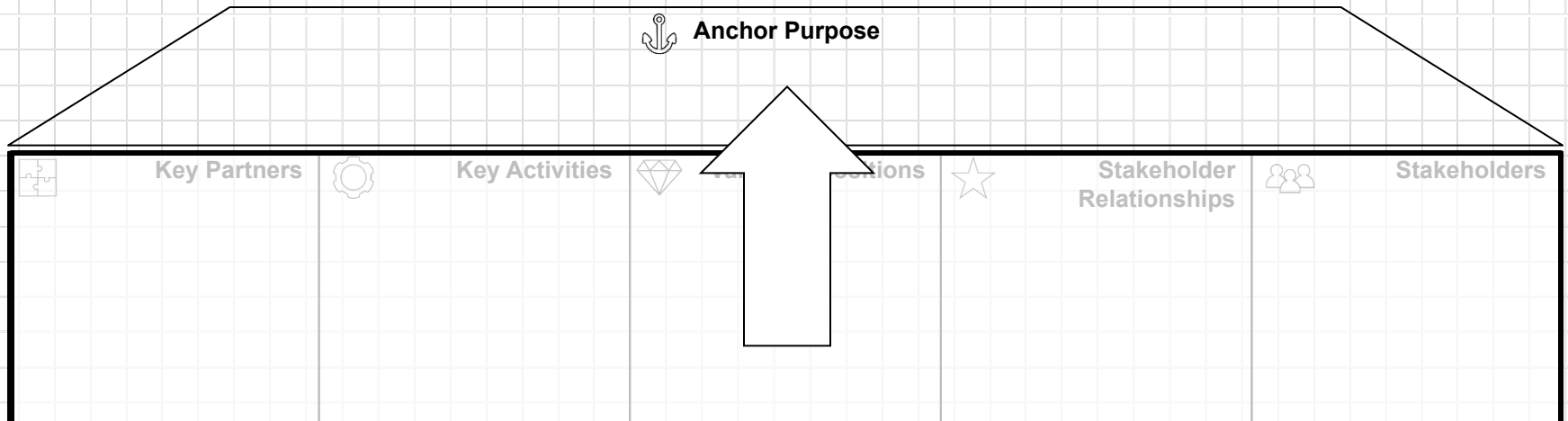
- Purpose driven entrepreneur in the early development of a new for-profit social venture
- Existing Social Enterprise interested in evaluating the company itself, a business line, product/service, and/or existing project's current business model
- Active Foundation with an interest in providing a standard of rigor to underlying portfolio organizations
- Social Enterprise in the early development of a new expansion product/service
- Incubator/Accelerators looking for ways to help participants in the early development of a new project
- Collaborations, Affinity Groups and Conference with active working sessions where participants are grouped together to quickly discuss and communicate new or existing purpose driven business concepts
- Corporations interested in complimenting their current offering by adding a purpose driven product/service
- Students and Faculty working on projects that simulate developing a new purpose driven venture or non-profit program

The Social Blueprint Business Design Framework

 **Anchor Purpose**

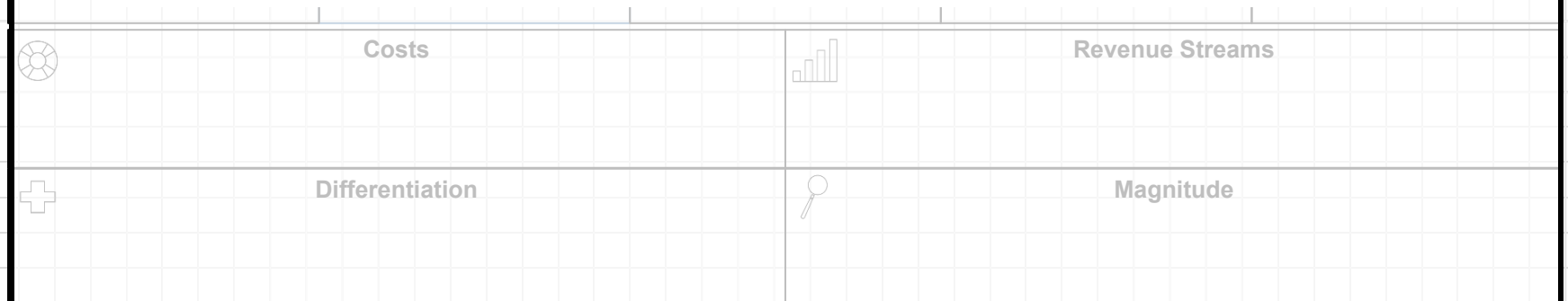


Anchor Purpose



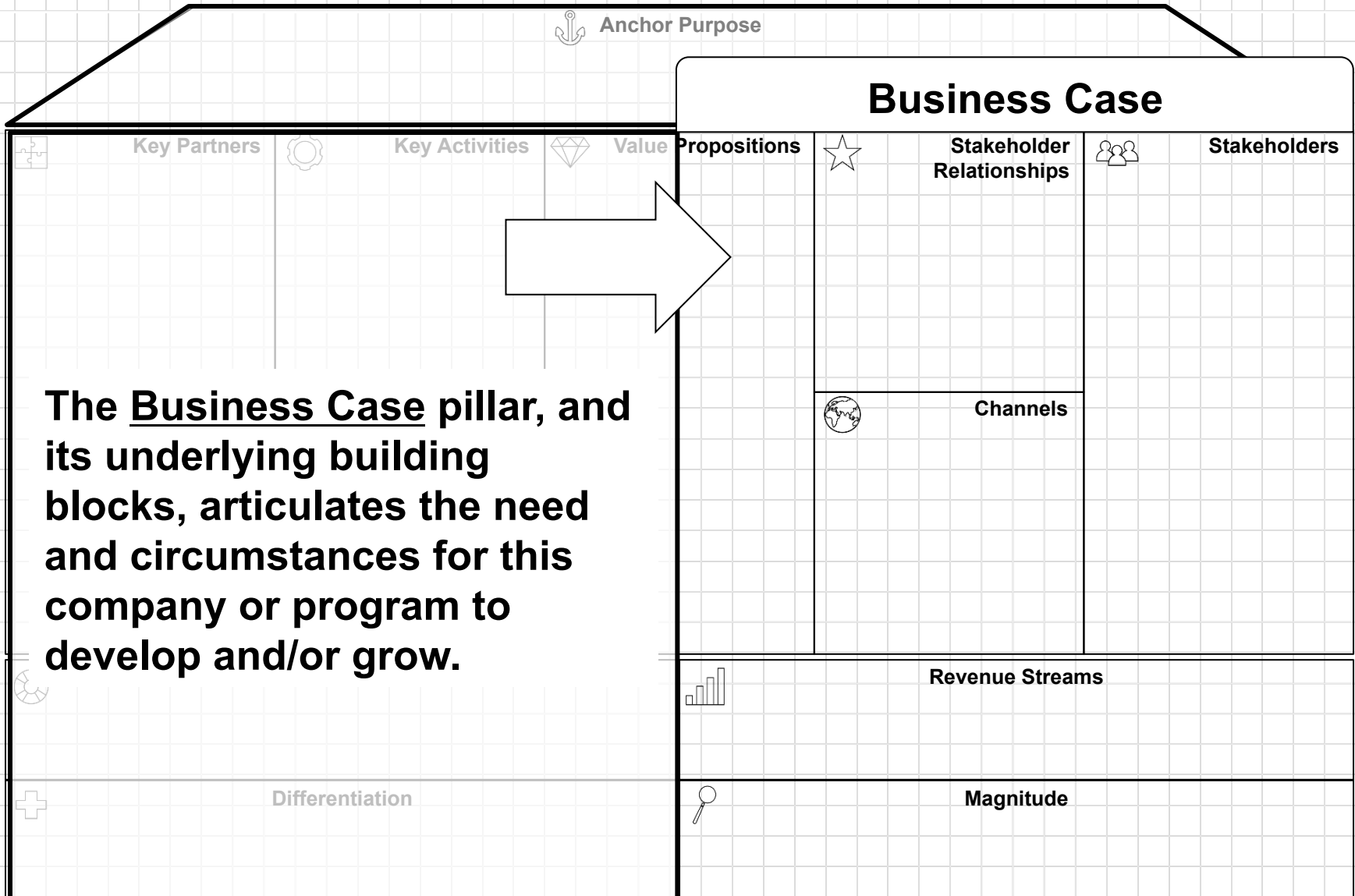
The Anchor Purpose drives the overall business design.

The two pillars (Business Case & Root Strategy), and their eleven underlying building blocks, should align to this objective and to each other.



Business Case

 Anchor Purpose



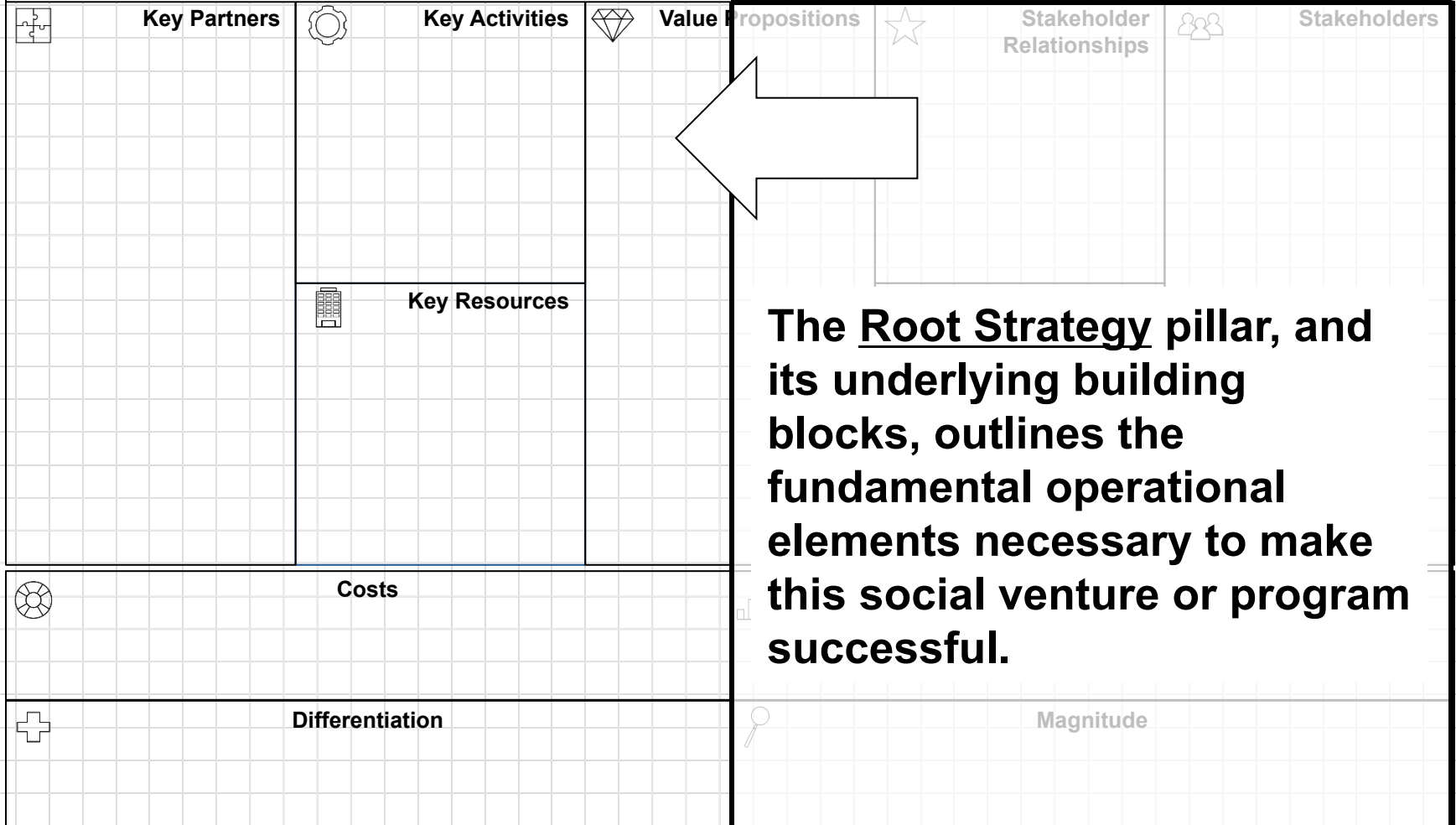
Business Case

The Business Case pillar, and its underlying building blocks, articulates the need and circumstances for this company or program to develop and/or grow.

Root Strategy


 Anchor Purpose

Root Strategy














The Root Strategy pillar, and its underlying building blocks, outlines the fundamental operational elements necessary to make this social venture or program successful.

The Social Blueprint Business Design Framework Summary

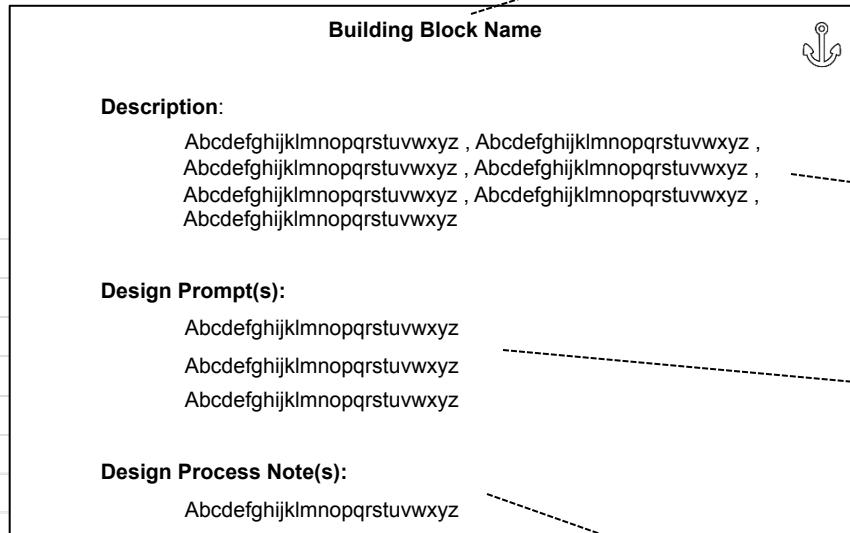
 **Anchor Purpose**

Long term company objective, including permanent values and intentional purpose. Could be a mixture of mission, vision and goals. Why does this company or program exist? What do you want to achieve?

 <p>Key Partners</p> <p>What types of partnerships are necessary to start and grow your business?</p> <p>Who are current or possible key partners?</p>	 <p>Key Activities</p> <p>What are the key processes and activities that enable your value proposition(s)?</p> <hr/>  <p>Key Resources</p> <p>What are the key assets and resources necessary to start and grow your business?</p>	 <p>Value Propositions</p> <p>What value do you bring to your stakeholders?</p> <p>What type of service or product are you offering to the customers?</p> <p>How do your beneficiaries, partners and investors benefit?</p>	 <p>Stakeholder Relationships</p> <p>In what manner do you want to interact with your stakeholders?</p> <hr/>  <p>Channels</p> <p>How will you reach your customers and beneficiaries?</p>	 <p>Stakeholders</p> <p>What is the profile of your stakeholders?</p> <p>What stakeholder problems need to be addressed?</p>
 <p>Costs</p> <p>Describe your key cost drivers. Which are fixed and which are variable?</p>		 <p>Revenue Streams</p> <p>Describe your key revenue streams. What type of margin is important for long-term sustainability?</p>		
 <p>Differentiation</p> <p>How is your business design unique and better than current competitive offerings?</p>		 <p>Magnitude</p> <p>How big are the economic and impact market opportunities? How much of it can you capture?</p>		

Building Block Key

The subsequent pages of the SB Business Design Framework follows a standardized template that provides each reader with a more detailed description of each building block and actionable prompts to accelerate thought and/or discussion.



Name of Building Block

Pillar Category

Identifier—provides a simple image for quick recall

Description—provides an explanation for specified building block

Design Prompts—questions and/or statements to help with ideation and discussion of particular building block

Design Notes—additional contextual information regarding the building block

Anchor Purpose



■ **Description:**

- A social venture or program (“project”) is guided by a combination of financial sustainability and mission purpose. This building block is your company’s compass, it anchors your long-term interests and should fundamentally guide your initial design. To achieve an optimal impact business design, all of the underlying building blocks should align to your Anchor Purpose.
- The final output in this building block is a long term commitment.

■ **Design Prompt(s):**

- Why is this company/project necessary?
- What are your permanent values?
- What was the initial impetus for developing company/project?
- What is the medium term mission and vision of the company/project?
- What is the objective of this company/project?
- What aspect(s) of your business model will not change?

■ **Design Process Note(s):**

- Profile your stakeholders before developing your anchor purpose.
- Review each building block to ensure it aligns with the Anchor Purpose.

Stakeholders



▪ Description:

- Every social venture or program has multiple Stakeholders types whose needs should be considered in the business design. In many cases purpose driven initiatives will have-- customers (who provide economics for the value you deliver), beneficiaries (are the target of your theory of change), investors (provide your funding), employees/founders (the talent that executes the strategy), and strategic partners (core resource and channel partners needed to execute your business).
- This important building block describes the Stakeholders, with an emphasis on the needs that are going to be addressed by the social venture or program.

▪ Design Prompt(s):

- Who are the main Stakeholders types? Are there particular “segments” within each Stakeholder type?
- Describe the Stakeholders type(s) and/or segment(s) and explain the need you are addressing for each? What are their main drivers and behaviors?
- Do some stakeholders assume several roles, e.g. are your customers also beneficiaries, founders also investors?

▪ Design Process Note(s):

- Force ranking Stakeholder types and/or segments clarify how you will address future strategic decision that have conflicting stakeholder outcomes.

Stakeholder Relationships



- **Description:**
 - The Stakeholder Relationships building block describes the specific ways that the social venture or program will interact with the Stakeholders. The depth, scope and method will be strongly associated with your understanding of the Stakeholder behaviors and motivations, as well as your Channel Strategy, and your profit (Revenue Streams and Costs) model. This building block sets the stage for the type of experience you'd like for your Stakeholders to have on an ongoing basis.

- **Design Prompt(s):**
 - How intimate does the companies relationship need to be with each Stakeholder?
 - How much “hand-holding” and/or “education” does each of your Stakeholders need?
 - Do your Stakeholders value/need personal interaction and/or are they comfortable with machine interaction?
 - Which Stakeholders need the most nurturing in order to meet your social and economic objectives?

- **Design Process Note(s):**
 - A Stakeholder type or specific stakeholder segment may have multiple concurrent or sequential Stakeholder Relationships.
 - Also consider the size and location of Stakeholders when identifying relationship capabilities.

Channels



■ Description:

- This building block identifies how the social venture or program will interface with the customers and/or beneficiaries. Channels are generally distinguished by the amount of control and scale of the interaction method. The spectrum of control can be as removed as using partners exclusively for any customer or beneficiary activity, all the way through owning all of the interaction in the form of direct support, services and sales. Companies or programs can have multiple channel strategies for either Customers or Beneficiaries. This building block is strongly associated with Stakeholders, Stakeholders Relationship, Magnitude and profit (Revenue Streams and Costs) model.

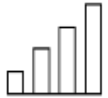
■ Design Prompt(s):

- What channels are necessary for initial adoption of your value proposition?
- What channels are most likely to reach your customers? Your beneficiaries?
- What channels are necessary for retaining and growing your customer and beneficiary stakeholders?
- What channels are cost effective and achieve optimal revenue (or earned income) streams.
- What channels are needed at different points of the sales cycle?

■ Design Process Note(s):

- Channel strategies are not static and evolve over the lifecycle of a business or program.
- Different channels can be utilized at different points of the sales cycle.

Revenue Streams



- **Description:**
 - This building block describes how the social venture or program will earn income from its value proposition to customers and relevant stakeholders. The types of revenue streams will also largely depend on the Value Propositions and Magnitude of opportunity. Revenue streams can have fixed and/or dynamic pricing qualities.

- **Design Prompt(s):**
 - Through what type of Revenue Stream are Customers, Beneficiaries or Investors paying for operations, service and/or product?
 - Are the Revenue Streams based on a fixed price or are they variable based on market conditions?
 - Are the Revenue Streams based on one time transactions or are they based on long-term value of recurring revenue?
 - Are the Revenue Streams in small increments or large sums?

- **Design Process Note(s):**
 - It is possible to receive revenues from both customers and beneficiaries, concurrently.
 - Investor capital (for-profit and grant makers) could be considered an economic stream that supports the overall financial and social objective.

Magnitude



- **Description:**
 - The Magnitude building block reveals the size and depth of the addressable social and economic opportunity for the stakeholders. It describes the scope of the social venture or program objective. It further should explain how much of the opportunity you can capture. This building block is based on data and will inform the goals and measurement of the business. The Magnitude will influence the scale of the intended Value Propositions, the Channel strategy, and profit (Revenue Streams and Costs) model.

- **Design Prompt(s):**
 - Quantify the social or environmental problem that your business is addressing.
 - How large is the potential economic opportunity of your value propositions?
 - What is the size of the addressable customer segments and beneficiaries?
 - What are the appropriate units of measure for the impact and financial objectives?
 - How much of the opportunity can you effect or capture?

- **Design Process Note(s):**
 - The Magnitude generally focuses on the Customer, Beneficiary and Employee stakeholders.

Value Propositions



■ Description:

- The Value Propositions building block presents the efficacy (meta categorization of value proposition) your business or program is providing and the tangible product(s) or service(s) that address the needs of your main stakeholders. At least one offering needs to be revenue (earned income) generating. The same or different offering should be specific to meeting your impact objectives. The Value Propositions building block should align with all other building blocks.

■ Design Prompt(s):

- What is the offering(s) your social venture or program will provide to your stakeholders? In the short-term? In the long-term?
- What is the efficacy that your offering or set of offerings delivers to the stakeholders?
- What is the market category of the product or service?

■ Design Process Note(s):

- If the design is for an entire social venture, then there may be one or several “meta” value propositions that are provided through one or multiple offerings.
- Keep the details of the product or service high-level during initial design discussions, and then drive down to priority features in later revisions.

Key Activities



- **Description:**
 - This building block describes the tactical areas of focus for a social venture or program. These activities are the key to successfully creating and providing the Value Propositions. These can be activities that are already taking place or need to take place in the near future. Key Activities can provide the outline and prioritization for your go-to-market strategy or implementation plan.

- **Design Prompt(s):**
 - What are the most important tasks that your company needs to perform in order to provide the Value Propositions to your Stakeholders? In the short-term? In the long-term?
 - What high level actions are necessary to design, launch, provide and support your offering(s)?

- **Design Process Note(s):**
 - Key Activities are most closely associated with the Value Propositions, profit (Revenue Streams and Costs) model, Stakeholder Relationships, Key Partners, Key Resources and Differentiation.

Key Resources

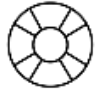


- **Description:**
 - This building block should describe the tangible and intangible inputs necessary to launch, and subsequently grow, your Value Propositions. Key resources can be people, places or things. In many cases, these assets are your significant cost drivers and/or your offerings market barriers to entry. Key resources can be something you own, acquire, borrow or share through Key Partners.

- **Design Prompt(s):**
 - What tangible or intangible items are necessary for your business or program to be successful?
 - Does your business or program require specialized talent, material, land, building, systems, technology, intellectual property, and/or machinery?
 - Which resources are your biggest costs and/or hardest to acquire?

- **Design Process Note(s):**
 - Key assets can also include financial resources like start-up or growth capital as well as employee option pools.

Costs



- **Description:**
 - The Costs building block describes the expenses that significantly affect the business or program design. Key Costs are often associated with Key Activities, Key Resources, Value Propositions and Magnitude. Most social ventures or programs will have both fixed and variable Costs. Prioritizing the Costs in a hierarchy may support future strategic decisions, shape operational oversight and help inform investment fundraising strategies.

- **Design Prompt(s):**
 - What are the critical expenses that your social venture or program will incur to start operating and gain stakeholder traction?
 - What are your long-term cost drivers?
 - What are the most expensive aspects of running your business or program?
 - Which costs will decrease over time if you scale?

- **Design Process Note(s):**
 - The Costs building block can help inform the development of your financial model, but should be kept at a higher level.

Differentiation



- **Description:**
 - This building block describes how your social venture or program offerings are unique to the market. What you express within Differentiation will likely outline your competitive advantage. Differentiation can come from a combination of several building blocks and/or be based on independent elements within different building blocks.

- **Design Prompt(s):**
 - What makes your business or offering unique?
 - How will you create and maintain competitive advantage?
 - How different is your social venture or program from market leaders?

- **Design Process Note(s):**
 - The differentiation description should provide context regarding the current pervasive solutions.

Key Partners



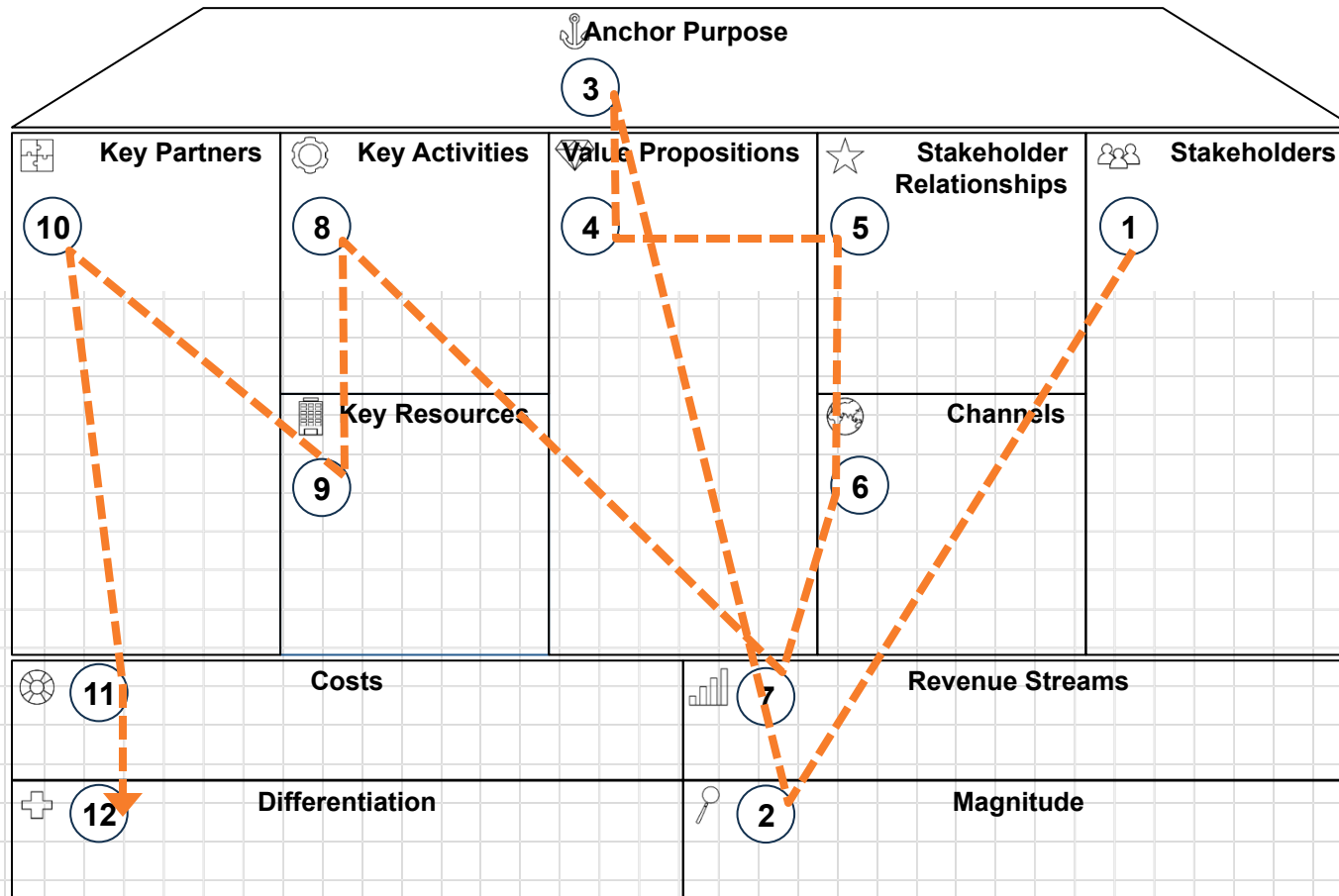
- **Description:**
 - Your key partners are those individuals or organizations that are instrumental to starting and/or growing your project. These partners can include informal relationships, like external advisors, and/or formal relationships like suppliers or channel distribution partners. In general, there is an exchange of value between your project and your key partners. In some cases, Key Partners are temporary, while others are linked to your long-term success.

- **Design Prompt(s):**
 - Who (or what type) are your current and/or future key informal partners?
 - Who (or what type) are your current and/or future key formal partners?
 - What do these partners provide for your social venture or program?
 - What value do you provide these partners?
 - What is the depth or nature of your partnership?

- **Design Process Note(s):**
 - Some partnerships may be with direct or indirect competitors, while most will be complimentary or non-competitive.

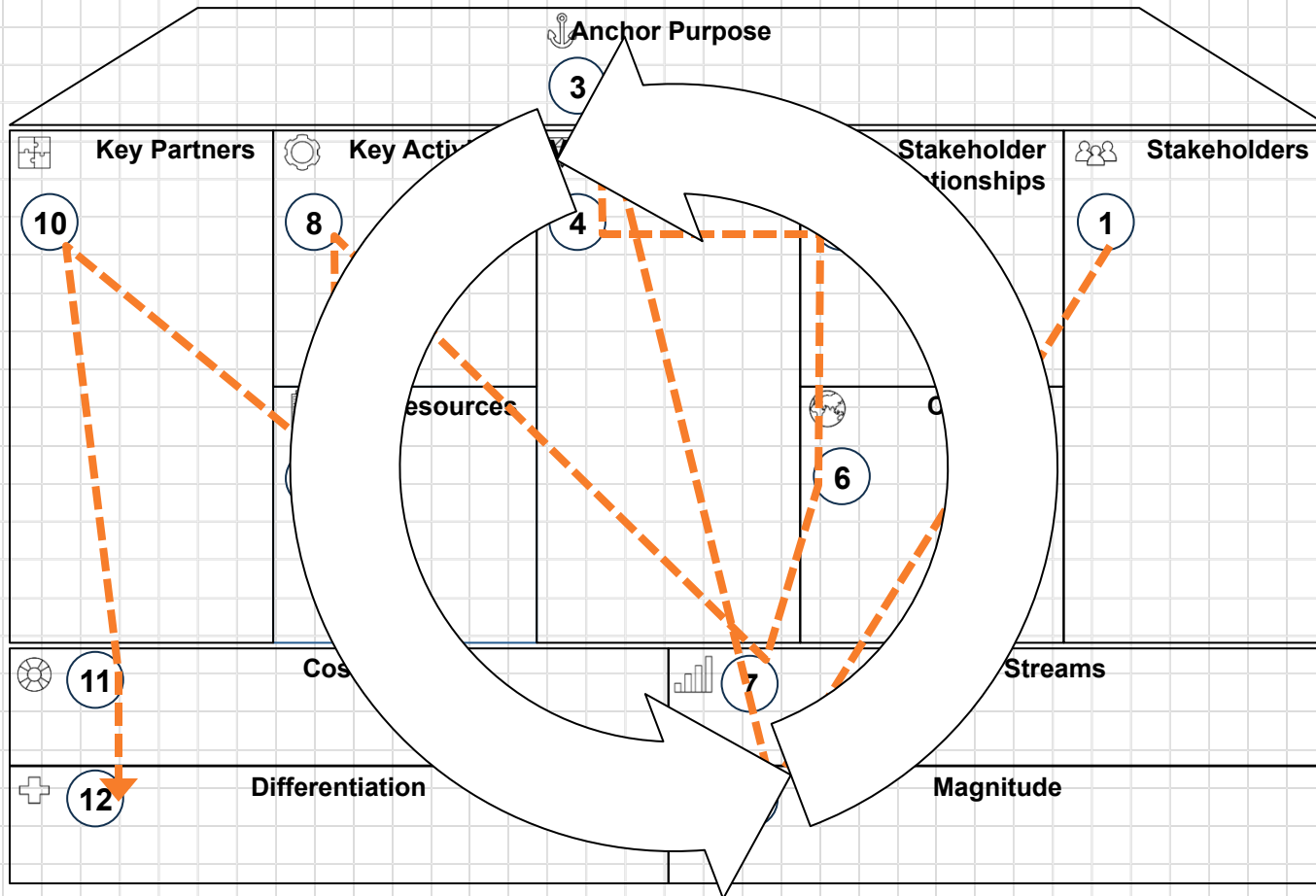
Suggested Sequence

While the Social Blueprint Business Design Framework has no strict sequence to completing the building blocks, we have found that the following order has been helpful for **new** projects:



Alignment and Iteration

One of the key tenets to this framework is alignment between all of the building blocks. After each iteration of your business model, we suggest reviewing for alignment and refining as necessary.



Acknowledgements

Thank you to all the impact industry experts who provided feedback and comments as we have developed this framework. A special thank you for the ongoing support and guidance provided by Eduardo Rallo, Lisa Rose and Stuart Yasgur. We appreciate the direct comments, questions and feedback from Jennifer Kenning, Nick Ellis, Polina Feldman, colleagues from the Impact Consulting Network and our wonderful community of industry peers.

The Social Blueprint Business Design Framework is an evolving tool that improves through each iteration. We welcome ongoing suggestions on how to advance the methodology.

For inquiries and comments, please email us.

socialblueprint@impactstrategyadvisors.com

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Increasingly, businesses are addressing their stakeholders desire to align purpose with their investments, brands, communities and workers. Our firm was developed to support operators, policy makers, academics, foundations and capital providers in this market evolution towards a “Purpose Economy.”

Impact Strategy Advisors (ISA) is a San Francisco based impact management and investment consulting firm. As the premier US advisor for the purpose economy, we exclusively partner with clients whose organization blends strong commercial fundamentals with authentic social and/or environmental values.

Through our three integrated professional services, **business strategy, executive recruiting and investment management**, we provide our clients with the breadth of tools and the depth of knowledge needed to solve their most critical needs. We view each of our clients as partners and continually invest time in understanding their people, processes and expectations. We believe this helps our engagements be appropriately customized, which leads to the best possible outcomes.

Driven By Our Values

Discover

Listen, reflect and share

Empathize

Consider others

Empower

Invest in people

Excel

Be accountable

Innovate

Create with passion

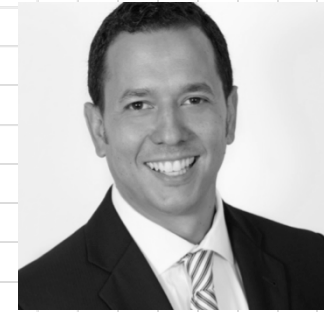
Although we are capable of servicing any social or environmental theme, our talented staff has specific deep expertise in a variety of domestic change areas including; education, youth development, economic development, entrepreneurship, diversity, job creation, poverty alleviation, technology for change and the field of impact investing.

While our client engagement objectives are varied, examples include; analyzing lines of business for large social enterprises, designing earned income programs for large social non-profits, developing impact investment strategies for family offices, sub-advising for established funds, hiring investment executives for impact funds and their portfolio companies, advising on new economic development public policy, creating opportunity landscapes for investors, developing knowledge primers for wealth management groups and their clients, and doing diligence of investors or grantors.

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Jorge M. Calderon

Managing Director & Founder

Mr. Calderon is a career entrepreneur, management consultant, investment professional and educator. In addition to starting Impact Strategy Advisors, Jorge founded Springworks and architected several novel business frameworks including the Social Blueprint and the Sidecar Option Fund Model. Mr. Calderon is also on faculty within UC Berkeley, as a lecturer for Social Venture Design at the Hass School of Business. Previously, Jorge was the founding Director for the West Coast office of a small seed stage venture capital firm and has had roles in top tier management consulting, banking and technology companies.

Mr. Calderon lives in the Bay Area and is deeply engaged in a variety of other civic organizations. He is a University of Michigan graduate and received his MBA from the Kellogg School of Management at Northwestern University.

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Project Name

Participants

Version

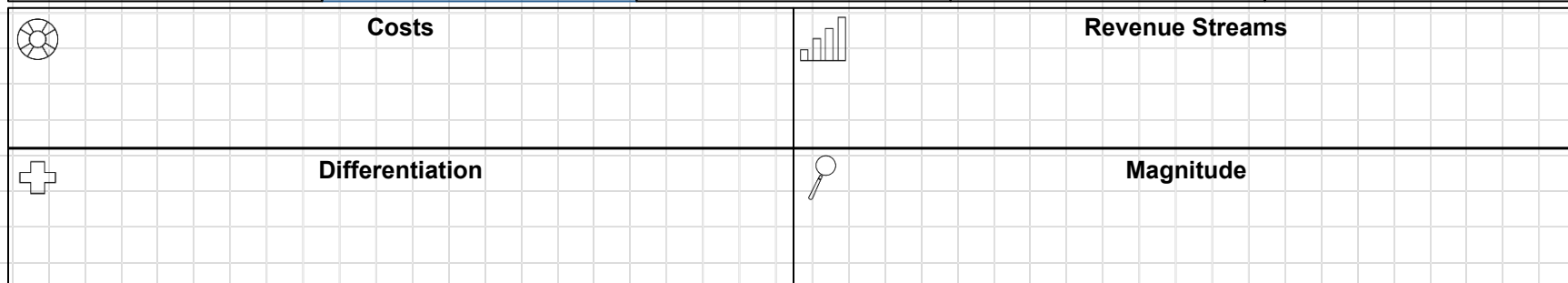
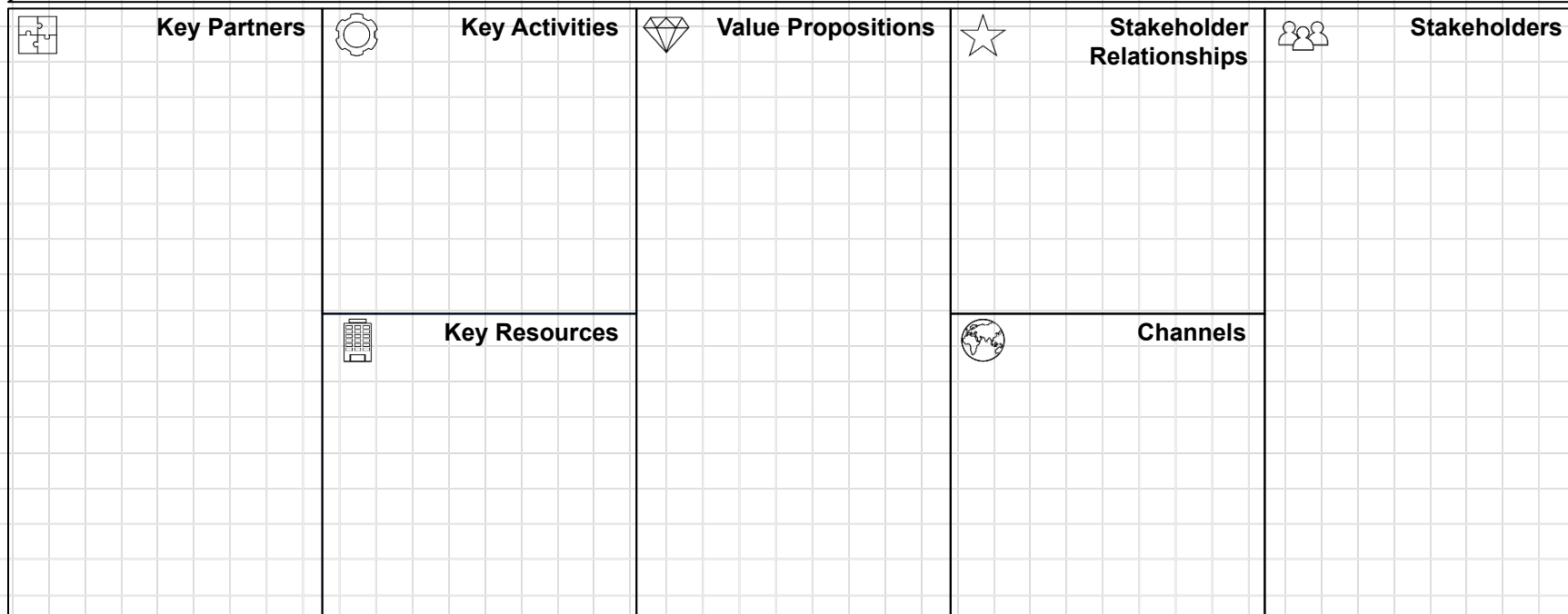
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Key Instruction

• The Blank template is optimal for handwritten activities



Anchor Purpose



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Participants <placeholder>

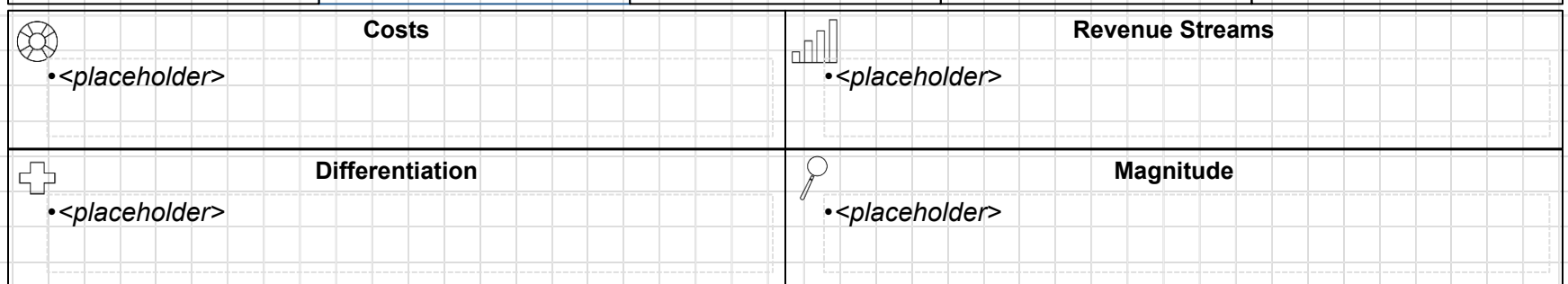
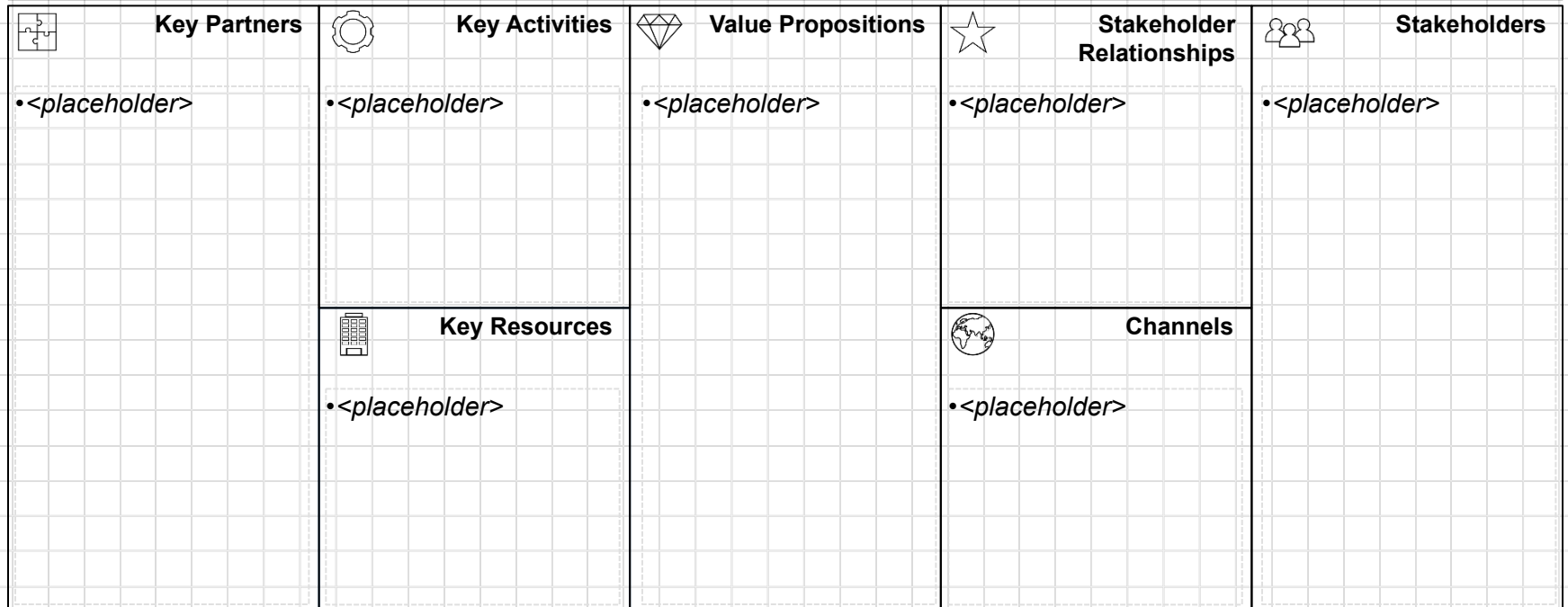
Version <placeholder>

Date <placeholder>

Key Instruction • Unlike the Block version, the Bullet template does not use color coding to align Stakeholders with other Building Block Elements

 **Anchor Purpose**








•<placeholder>







Project Name	<placeholder>	Participants	<placeholder>
Version	<placeholder>	Date	<placeholder>
Key Instruction	<ul style="list-style-type: none"> • Current boxes and color codes are example only. • Use color codes to match elements of building blocks with Stakeholders (except for Anchor Purpose) 		

 **Anchor Purpose**

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 Key Partners	 Key Activities	 Value Propositions	 Stakeholder Relationships	 Stakeholders
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	 Key Resources		 Channels	<placeholder>
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 Costs	 Revenue Streams
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 Differentiation	 Magnitude
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