Business Models for Teams

See How Your Organization Really Works
and How Each Person Fits In

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in collaboration with
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Verneri Aberg
Victor Gamboa
Viknapergash Guraiah
Vincenzo Baraniello

Enterprise model
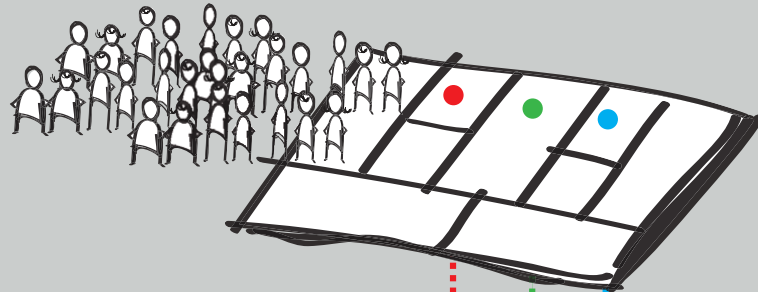
Team model
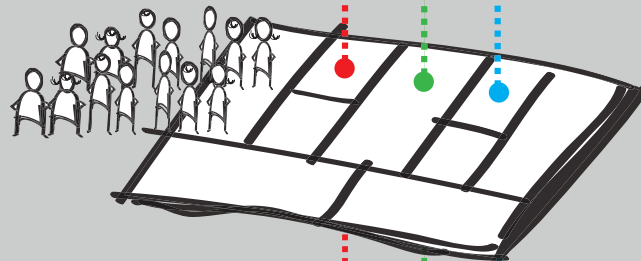
Individual model

When Words Are
Not Enough—or Too Much

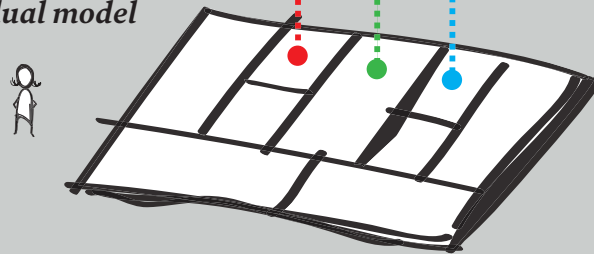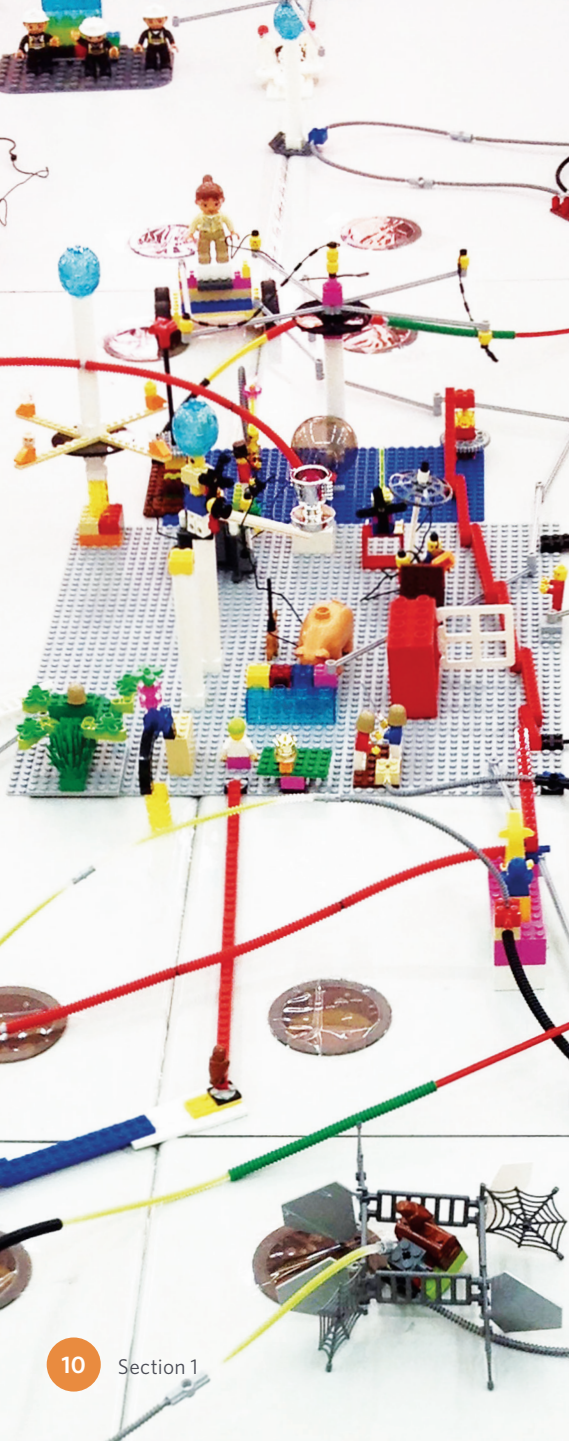Newly-promoted leaders who read leadership books or take leadership training often come away with a fresh vocabulary that describes skillful leading. Yet they may still lack the capacity to demonstrate leadership or develop it in others, and instead rely on leader-like pronouncements made under two mistaken assumptions:

1. Everyone understands my words the way I understand and intend them.

2. Everyone will now take appropriate action, based on my words.

There is nothing wrong with words, of course. But words alone cannot handle the task of explaining or understanding a complex, multi-dimensional system such as an organization. To understand a system, leaders need physical tools (third objects[9]) that allow people to see an entire system at once. Third objects such as Canvases, LEGO® bricks, sticky notes, flip charts, and drawings efficiently symbolize or model relationships too complex for words.

Third object tools gently guide users away from the abstract world of discussion and toward the concrete world of construction.[10] Active construction uncovers tacit knowledge, empowers less verbal people, and makes it easier for everyone to articulate and share thoughts with colleagues. Third objects also reduce conflict by focusing people on the work that needs to be done, and reducing the effects of personality, politics, and the tendency for groups to adopt the opinions of the most articulate speaker. What is more, they are highly engaging and inspire behavior-changing experiences.

Experienced me-to-we practitioners find third object tools indispensable, so you will find plenty of examples throughout this book. These tools will help you move beyond words and pinpoint problems with how individuals, teams, and organizations work.

An organization expressed using LEGO® bricks

The Business Model Canvas

Key Partners
People or organizations that perform Key Activities or provide Key Resources to the enterprise.

Key Activities
Actions needed to create, communicate, sell, or deliver Value Propositions to Customers.

Value Propositions
Benefits (solutions or satisfactions) delivered via services or products.

Customer Relationships
Post-sale communications to ensure Customer satisfaction and offer additional benefits.

Customer Segments
One or more distinct groups that benefit from Value Propositions, whether purchased or not.
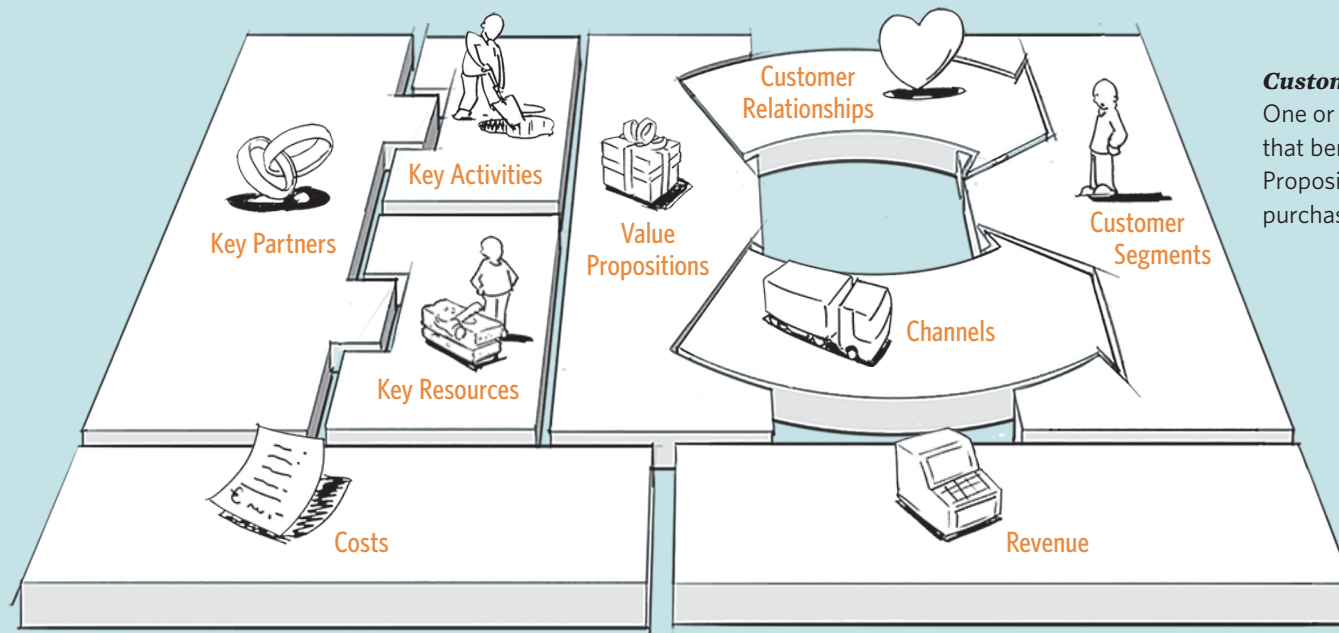
Costs
Expenses incurred acquiring Key Resources, performing Key Activities, or working with Key Partners.

Key Resources
People, property, money, or intangibles essential for creating and delivering Value Propositions to Customers.

Channels
The touchpoints by which the enterprise communicates, sells, and delivers Value Propositions.

Revenue
Funds received when Customers pay for Value Propositions.

The Five-Phase Marketing Process

Customer Relationships

Channels

5 Followup

Touchpoints
In-person, telephone, chat, e-mail, teleconference, Web, wiki, mail-in warranty or response, co-creation, etc.

Actions
Ask Customers about their experience, resolve problems, deal with claims, co-develop services or products, introduce additional Value Propositions

4 Delivery

Touchpoints
On-site/off-site acceptance (service) or pickup (product), parcel delivery service, digital transfer, online activation, etc.

Actions
Perform service in-person or off-site, ship or transfer goods, transfer files or activate account, etc.

1 Awareness

Touchpoints
In-person, online, signage, trade shows, videos, direct mail, word-of-mouth, press conferences, print, television, radio, etc.

Actions
Educate, inform, alert, promote, advertise

2 Evaluation

Touchpoints
In-person or online demonstration, trial, or interview, mailed or digital sample, etc.

Actions
Present, offer trial or sample, test, share testimonials

3 Purchase

Touchpoints
Online, on-site, in-person, call center, etc.

Actions
Offer payment methods and terms preferred by Customers: cash, debit/credit, electronic, bank transfer, etc.

Together the nine building blocks describe a business model, which can be depicted using the Business Model Canvas.[9]

Business Model Canvas

Key Partners

Key Activities

Value Propositions

Customer Relationships

Customer Segments

Key Resources

Channels

Costs

Revenues
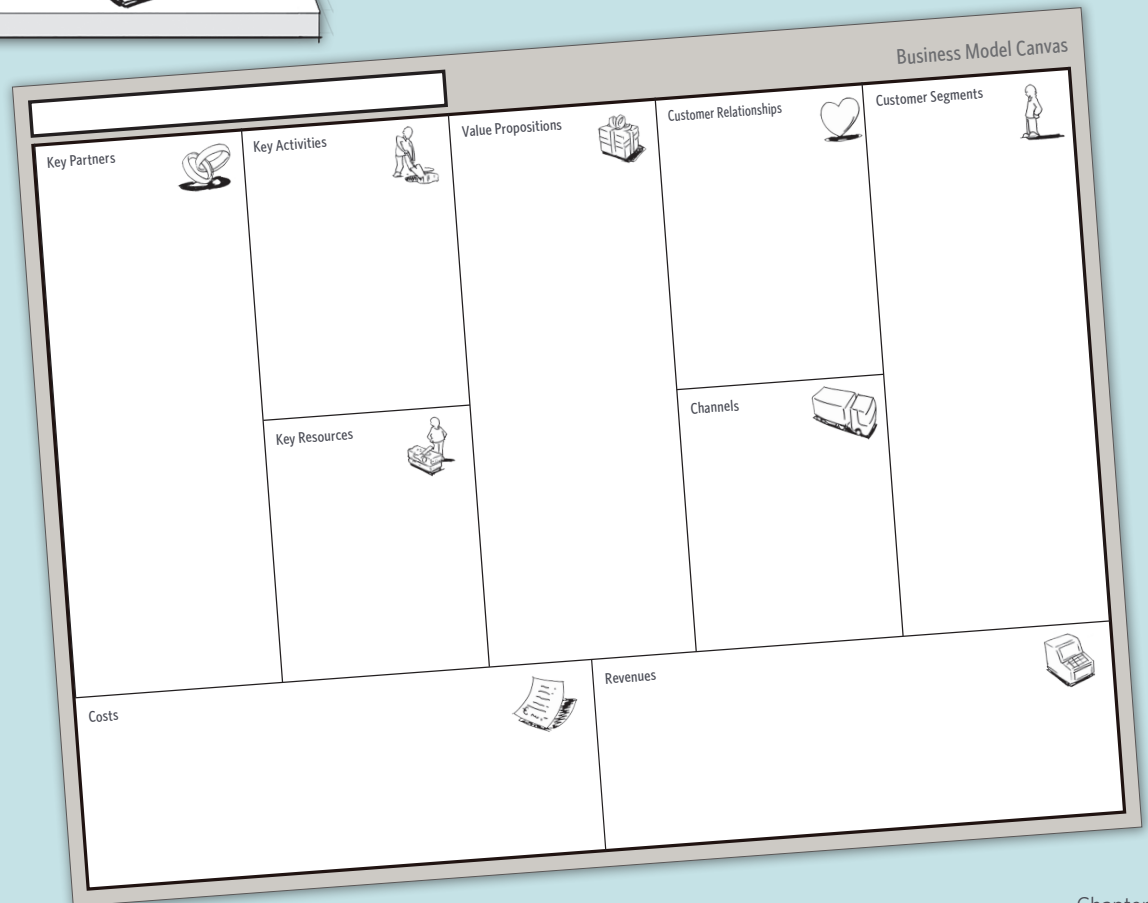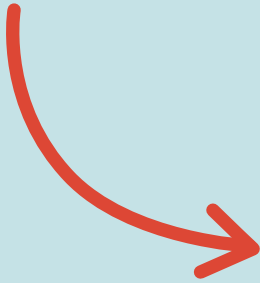
Haloid's photocopier business

Key Partners

Battelle

Key Activities

Build copiers

Maintain copiers

Sell leases

Key Resources

Xerography patents

Technical expertise

Strong reputation

Value Propositions

Easy, low-cost information sharing

Customer Relationships

Face-to-face conversations

Technician reports

Channels

Copiers installed on-site

Customer Segments

Large & midsized offices

Costs

Salaries

Manufacturing cost of goods

Buildings & equipment

Inventory financing

Revenues

Lease payments

Supplies

Per-copy charges

Special services

Restaurant Modello

Back of the House
Non-Customer facing

Front of the House
Customer facing
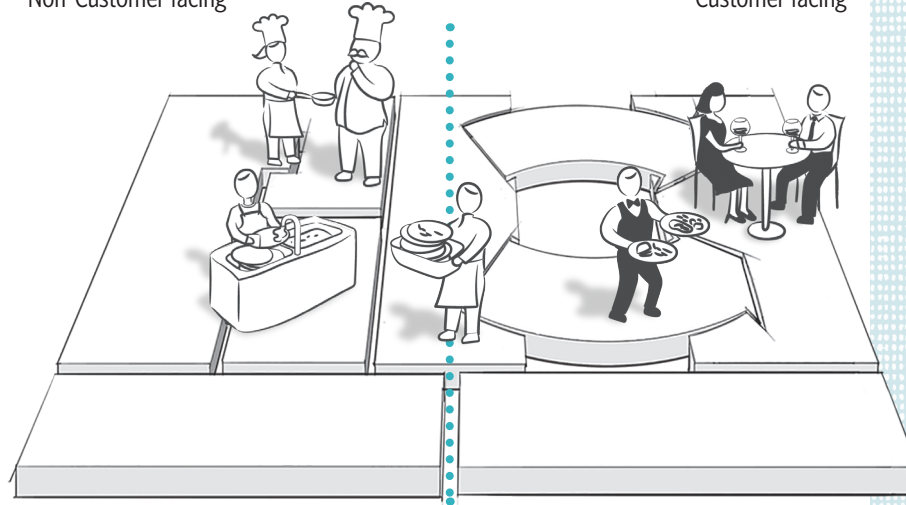
	Role		Tasks	Result of task success	Consequence of task failure
Customer facing workers	Servers		Take orders correctly and politely, serve meals, deliver checks, collect payments	Positive dining experience, bigger tips	Unsatisfying dining experience, smaller tips, unfavorable social media postings
	Busser		Clear dishes, clean tables and chairs	Guests enjoy clean table settings that enhance dining experience, bigger tips	Guest experience diminished by dirty table setting, smaller tips, unfavorable social media postings
Non-Customer facing workers	Chef		Create excellent menu and ensure its correct execution	Good food, convenience for guests, enjoyment for guests	Disappointing dining experience, loss of Customers, smaller tips, unfavorable social media postings
	Cooks		Correctly and consistently prepare menu items	Predictably positive dining experience, bigger tips	Unpredictable dining experience, loss of Customers, smaller tips, unfavorable social media postings
	Dishwasher		Clean tableware	Impression of cleanliness and good hygiene, bigger tips	Guest experience diminished by unclean tableware, smaller tips, unfavorable social media postings

Modello restaurant

Key Partners

Key Activities

Cook meals

Serve meals

Clean & prep

No single worker performs all three Key Activities that make Modello successful

Key Resources

"Personality"

Location

Strong chef

Value Propositions

1. Share unique experience

2. Tasty convenience

3. Reliable elegance

Customer Relationships

Face-to-face

Channels

1. Dining room

2. Dining room, takeout

3. Catering

Customer Segments

1. Dinner crowd: couples & families

2. Lunch crowd: professionals

3. Private parties

Costs

Salaries

Cost of goods

Rent

Revenues

1. Dinner checks, bar tabs

2. Lunch & takeout checks

3. Catering fees

EcoZoom

Key Partners

Chinese manufacturer

Key Activities

Design stoves

Sell stoves

Arrange stove production, delivery logistics

Key Resources

Value Propositions

Healthier, more economical cooking

Improve refugee camp conditions

Customer Relationships

Channels

Customer Segments

Families

Refugee relief organizations

The EcoZoom Model: Non-Paying Customers, Non-Financial Benefits
EcoZoom serves both paying and non-paying Customers. One key Customer Segment, refugee relief organizations, buys stoves in quantity, then makes them available at no cost to end-user families (non-paying Customers).

Costs

Materials and labor

Salaries

Shipping fees

Revenues

Bulk purchase of stoves

Accounting for Externalities

Positive externalities and non-paying Customers may be key considerations if you work in government, healthcare, the military, or the legal, education, or nonprofit sectors. On the other hand, negative externalities, such as pollution and noise, may be important considerations if you work in industry. Use the Canvas to grasp the entirety of your business model.

Next, consider a different business that interacts with Customers entirely online—and most likely already counts you as a user!

EcoZoom

Key Partners

Chinese manufacturer

Key Activities

Design stoves

Sell stoves

Arrange stove production, delivery logistics

Key Resources

Value Propositions

Healthier, more economical cooking

Improve refugee camp conditions

Customer Relationships

Channels

Customer Segments

Families

Refugee relief organizations

Costs

Materials and labor

Salaries

Shipping fees
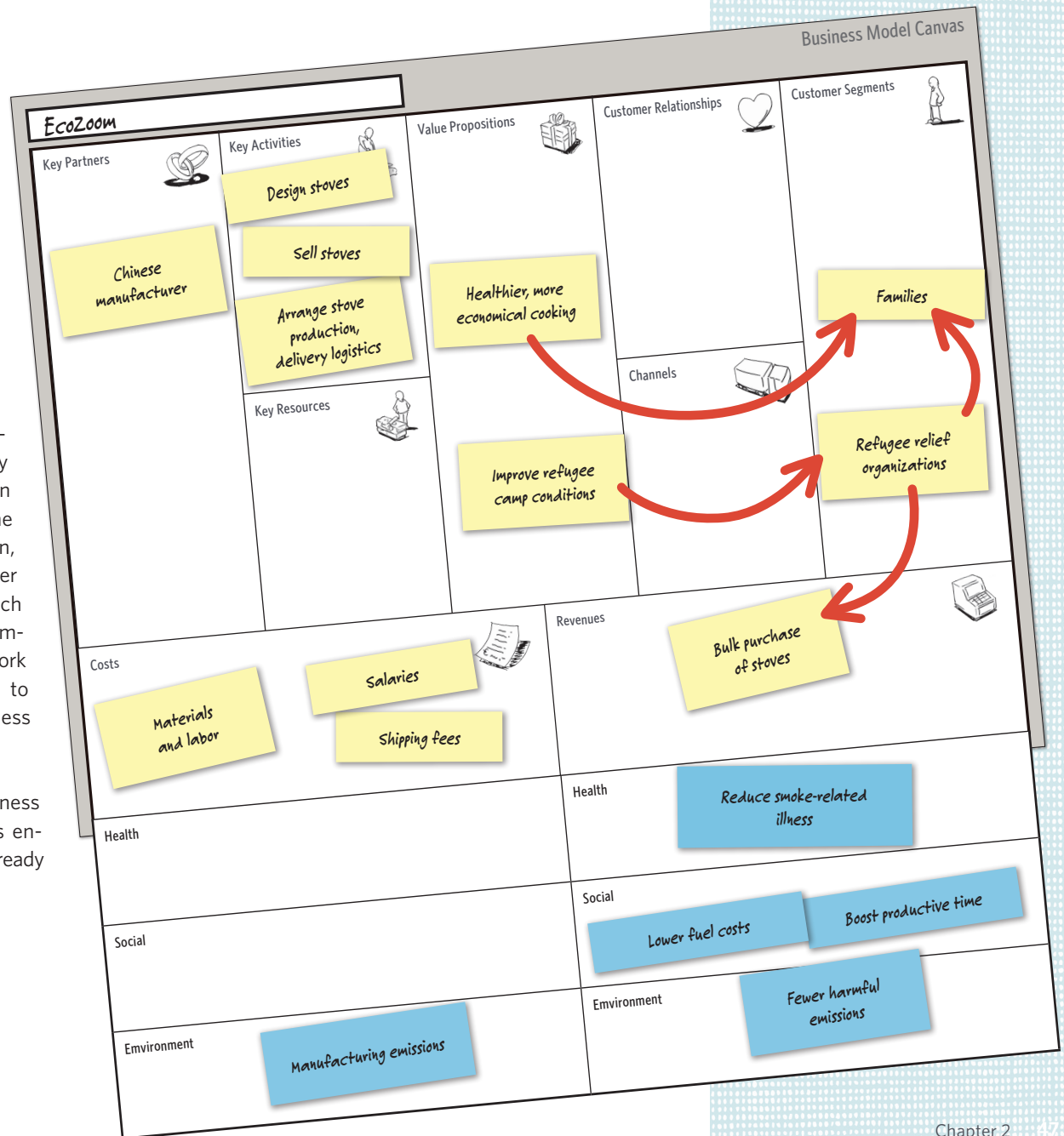
Revenues

Bulk purchase of stoves

Health

Social

Emvironment

Manufacturing emissions

Health

Reduce smoke-related illness

Social

Lower fuel costs

Boost productive time

Emvironment

Fewer harmful emissions

Facebook

Key Partners

- Who are our Key Partners?
- Which Key Resources do they supply, or which Key Activities do they perform?
- What do they offer that is indispensable to our model?
- Ways Key Partners create benefits:
  · Optimize or economize
  · Reduce risk or uncertainty
  · Provide otherwise unattainable resources or activities

Key Activities

- What Key Activities do our Value Propositions, Channels, Customer Relationships, and Revenue require?
- Types of Key Activities:
  Make: design, develop, manufacture, solve, deliver
  Sell: educate, advocate, demonstrate, promote, advertise
  Support: manage, maintain, supervise, otherwise assist people who make or sell

Key Resources

- What assets do our Value Propositions, Channels, Customer Relationships, and Revenue require?
- Four types of Key Resources:
  People: skilled workers
  Tangible Property: vehicles, buildings, land, equipment, tools
  Intangible Property: brands, methods, systems, software, patents, copyrights, licenses
  Money: cash, stock, receivables, lines of credit, financial guarantees

Value Propositions

- What benefit(s) do we provide to Customers? For example:
  Functional
  · Reduced risk
  · Lower cost
  · Better convenience or usability
  · Improved performance
  · Getting a specific job done
  Emotional
  · Enjoyment or pleasure
  · Acceptance
  · Belonging
  · Approval
  · Security
  Social
  · Elevated status
  · Taste, style validation
  · Affinity

Customer Relationships

- How do we provide post-sales support? (Marketing Phase 5)
- What kinds of relationships do we have in place now?
  For example:
  · In-person or telephone assistance
  · Automated e-mail or self-service Web forms
  · Remote personal service via e-mail, chat, Skype, etc.
  · User community or wiki
  · Co-creation with Customers
- What other relationships might Customers expect us to establish and maintain with them?

Channels

- Through which Channels do we reach Customers?
- Which Channels work best?
- Are there other Channels that Customers might prefer?
- Marketing Phases 1-4
  1. Awareness: How do prospects discover us?
  2. Evaluation: How do we induce evaluation?
  3. Purchase: How do Customers buy?
  4. Delivery: How do we deliver?

Customer Segments

- Whom do we benefit?
- Which Customers account for most of our Revenue?
- Strategically, who is our most important Customer?
- Who are our Customer's Customers?

Costs

- What are our biggest Costs?
- Which Key Resources and Key Activities are most expensive?
- What negative externalities do we generate?
- Types of Costs:
  Fixed: salaries, leases
  Variable: cost of goods or services, contingent labor
  Non-cash: amortization, goodwill, externalities

Revenues

- For what benefits are our Customers truly willing to pay?
- How do they pay now?
- How might they prefer to pay?
- How much Revenue does each Customer contribute?
- What positive externalities do we generate?
- What forms do payments take?

For example:
· Asset sale
· Lease or rental fee
· Subscription charge
· Licensing fee
· Brokerage fee
· Placement or advertising fee
· Auction-based dynamic pricing

Facebook

Key Partners

Key Activities

Protect & develop platform

Value Propositions

Connect & share

Customer Relationships

Automated e-mail, self-service Web

Customer Segments

Consumers

Key Resources

Platform

Attract Customers

Channels

Internet

Advertisers
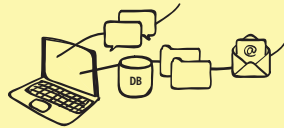
Costs

Salaries

Revenues

Advertising fees

Things to Try on Monday Morning

Try Modeling Your Enterprise

Now it is your turn: use the Business Model Canvas on these two pages to diagram the business model of the enterprise for which you work. To help you, hint questions appear inside each building block. Alternatively, you can print out the Canvas poster (available for free when you sign up at BusinessModelsForTeams .com). The poster includes hint questions (in tiny type that encourages you to print and work BIG!).

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  For example:

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· Lease or rental fee   · Placement or advertising fee
· Subscription charge   · Auction-based dynamic pricing
· Licensing fee

Kitchen Team Teamwork Table   *Ripple-through effect from external Customers

Role	Tasks	Internal Customers	Result of task success	Consequence of task failure
Chef	Design, update excellent menu	Modello (Steve)	Good reputation, financial success	Reputational/financial loss
	Train and supervise	Cooks	Better professional skills, bigger tips*	Smaller tips, poor social media reviews*
	Explain menu, train servers to recommend dishes, prevent allergic reactions	Servers	Repeat external Customers, bigger tips*	Lost external Customers, smaller tips, poor social media reviews*
Cooks	Correctly and consistently prepare menu items	Modello (Steve)	Good reputation, financial success	Reputational/financial loss
	Correctly and consistently prepare menu items	Servers	Repeat external Customers, bigger tips*	Lost external Customers, smaller tips, poor social media reviews*
Dishwasher	Promptly and thoroughly wash dinnerware, cookware	Modello (Steve)	Positive image	Poor image
	Promptly and thoroughly wash cookware	Cooks	Work proceeds smoothly	Delayed work, frustration
	Promptly and thoroughly wash dinnerware	Servers	Eliminate cleanliness-related complaints, bigger tips*	Unpredictable dining experience, loss of Customers, smaller tips, unfavorable social media postings*

One of a leader's most important tasks is to help others see why their work matters to someone.[1] People who grasp teamwork—who they help and how they help—have built a foundation for self-organization and self-direction. Next, learn how to use the Canvas to draw a team business model.

Modello kitchen team

Key Partners

Modello (Steve)

Dining room team

Key Activities

Design, update menu

Train, supervise

Cook

Clean up

Key Resources

Strong chef

Kitchen facilities

Team spirit

Value Propositions

1. Consistently deliver excellent menu

2. Bigger tips, fewer hassles

3. Unique experience, tasty convenience

Customer Relationships

Face-to-face

Channels

Kitchen

Dining room

Customer Segments

1. Modello (Steve)

2. Dining room team

3. Diners

Costs

Times

Stress

Energy

Revenues

Wages & tips

Professional growth

Sense of community

Business Model Canvas

DBA's interim finance team business model

Key Partners

Senior management team members

Investors

Department heads

Key Activities

Meet face-to-face

Identify, track key performance indicators (KPIs)

Key Resources

Attitude of engagement

Strong financial skills, credentials

IT infrastructure

Value Propositions

1. Generate earnings, build reputation

2. "Sleep well at night!" (certainty with respect to current & anticipated positions)

3. Confidence in resourcing to deal with unexpected situations

4. Confidence in progress toward and ability to deliver goals

Customer Relationships

Face-to-face

Internet

Long-term relationship orientation

Channels

In-person meetings

Weekly/monthly written reports

Customer Segments

1. DBA (parent organization)

2. Senior management team members

3. Investors

4. Department heads

Costs

Fees & wages

Time

Energy

Revenues

1. Budget allocation

Professional and personal development

Enhanced team profile and recognition

ViewPoint Learning Services Team

Business Model Canvas

Internal Customers

External Customers

Key Partners

Marketing

Product Development

Customer Support

Content writers

Learning management system vendors

Key Activities

Create self-service learning programs

Create & deliver certification classes.

Key Resources

Instructional design expertise

Knowledge of learning software and operations

Value Propositions

Deflect cases from support team

Enable support to work at higher level

User adoption and confidence

Enhance Customer set-up, configuration speed

Customer Relationships

Face-to-face, e-mail, Skype

Long-term relationship orientation

Face-to-face, e-mail, phone, Webinar, customer portal

Channels

Internal training & project teams

Monthly reports, one-on-one and team meetings

Customer portal

In-person

Customer Segments

New leadership group

Customer support team

Sales

Software end users

Construction industry consultants

Costs

Tools & travel

Staff salaries

Stress of managing complex budget allocation

Outdated learning system content boosts Customer Support costs!

Subject matter expert fees

Revenues

Budget from Customer Support, product development units

Fees from classes & certifications

Customer subscription fees

Open Power Digital Implementation Team Model

Key Partners

External agencies

Country, business lines & functions

Key Activities

1. Manage channels
2. Manage program
3. Develop strategy
4. Create digital Open Power brand

Key Resources

Design, branding expertise

Leadership in all-digital grids

Best practice expertise

Track record of results

Value Propositions

1. Engagement
2. Visibility & strategic consistency
3. Guidelines for strategy roll-out
4. Enhance Enel's reputation

Customer Relationships

1. Social Media
2. Co-creation community
3. Co-creation community
4. Written, verbal reports

Channels

1. Social media, Web
2. Face-to-face meetings and social platform.
3. Social platform & workshops
4. Face-to-face meetings

Customer Segments

1. End users & influencers
2. Enel business lines & functions
3. Enel country-level digital communication managers
4. Corporate

Costs

Engineering expenses

Training expenses

Salaries

Media buys

Revenues

"Digital culture" creation

Recognition for outstanding work

Greater satisfaction

4. Budget allocation

More proactive work style

Consulting team for internal departments at EY

Key Partners

- Client-serving department COOs
- EY technology teams
- Quality management teams
- Client-serving department team members

Key Activities

- Consult on strategic change
- Help EY teams operationalize changes

Key Resources

- Appetite for change
- Client project experience
- Cross-industry expertise

Value Propositions

- Make change happen
- Solutions learned from other industries
- Improve services delivered to clients
- Improve employee experience

Customer Relationships

- Consultations with COO on changes to be made
- Consultations with team members

Channels

- Face-to-face meetings with COO and teams
- Topic-specific online EY communities

Customer Segments

- Client-serving department COOs
- Client-serving department team members

Costs

- Operating costs
- Investment in change projects based on ROI analysis

Revenues

- Return/results of changes supported
- Good feeling of getting things done that really help
- People development (professional and personal)
- Personal recognition

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- Ways Key Partners create benefits:
  · Optimize or economize
  · Reduce risk or uncertainty
  · Provide otherwise unattainable resources or activities

Key Activities

- What Key Activities do our Value Propositions, Channels, Customer Relationships, and Revenue require?
- Types of Key Activities:
  Make: design, develop, manufacture, solve, deliver
  Sell: educate, advocate, demonstrate, promote, advertise
  Support: manage, maintain, supervise, otherwise assist people who make or sell

Key Resources

- What assets do our Value Propositions, Channels, Customer Relationships, and Revenue require?
- Four types of Key Resources:
  People: skilled workers
  Tangible Property: vehicles, buildings, land, equipment, tools
  Intangible Property: brands, methods, systems, software, patents, copyrights, licenses
  Money: cash, stock, receivables, lines of credit, financial guarantees

Value Propositions

- What benefit(s) do we provide to Customers? For example:
  Functional
  · Reduced risk
  · Lower cost
  · Better convenience or usability
  · Improved performance
  · Getting a specific job done
  Emotional
  · Enjoyment or pleasure
  · Acceptance
  · Belonging
  · Approval
  · Security
  Social
  · Elevated status
  · Taste, style validation
  · Affinity

Customer Relationships

- How do we provide post-sales support? (Marketing Phase 5)
- What kinds of relationships do we have in place now?
  For example:
  · In-person or telephone assistance
  · Automated email or self-service Web forms
  · Remote personal service via email, chat, Skype, etc.
  · User community or wiki
  · Co-creation with Customers
- What other relationships might Customers expect us to establish and maintain with them?

Channels

- Through which Channels do we reach Customers?
- Which Channels work best?
- Are there other Channels that Customers might prefer?
- Marketing Phases 1-4
  1. Awareness: How do prospects discover us?
  2. Evaluation: How do we induce evaluation?
  3. Purchase: How do Customers buy?
  4. Delivery: How do we deliver?

Customer Segments

- Whom do we benefit?
- Which Customers account for most of our Revenue?
- Strategically, who is our most important Customer?
- Who are our Customer's Customers?

Costs

- What are our biggest Costs?
- Which Key Resources and Key Activities are most expensive?
- What negative externalities do we generate?
- Types of Costs:
  Fixed: salaries, leases
  Variable: cost of goods or services, contingent labor
  Non-cash: amortization, goodwill, externalities

Revenues

- For what benefits are our Customers truly willing to pay?
- How do they pay now?
- How might they prefer to pay?
- How much Revenue does each Customer contribute?
- What positive externalities do we generate?
- What forms do payments take?
  For example: · Licensing fee
  · Asset sale   · Brokerage fee
  · Lease or rental fee   · Placement or advertising fee
  · Subscription charge   · Auction-based dynamic pricing

Beatriz's "as-is" training team model

Key Partners

External consultants

Outside trainers

Key Activities

Design & deliver engineering training

Design & deliver project managment training

Key Resources

Training staff

Training methods

Facilities

Value Propositions

Boost engineering capability

Boost project management capability

Customer Relationships

Training advisors to other departments

Co-developing training programs

Channels

Corp R&D assigns work

On-site workshops & training sessions

Customer Segments

Engineers

Project managers

Costs

Programs budget

Staff salary & benefits

Revenues

Allocation from corporate R&D budget

Beatriz's team focused on improving engineering and project management capabilities at ThyssenKrupp's 800-employee Elevator Innovation Center.

Beatriz's training team model

Original elements

New elements

Key Partners
- External consultants
- Outside trainers
- Division training departments

Key Activities
- Design & deliver engineering training
- Design & deliver project managment training
- Design & deliver PRODUCT management training

Key Resources
- Training staff
- Training methods
- Facilities

Value Propositions
- Boost engineering capability
- Boost project management capability
- Boost PRODUCT management capabilities

Customer Relationships
- Training advisors to other departments
- Co-developing training programs
- Co-developing training programs

Channels
- Corp R&D assigns work
- On-site workshops & training sessions

same Channels

Customer Segments
- Engineers
- Project managers
- Finance staff
- Manufacturing staff
- Supply chain staff
- Sales staff

Costs
- Programs budget
- Staff salary & benefits

Revenues
- Allocation from corporate R&D budget
- Budget increase

Beatriz's new model includes a new Value Proposition, New Customers, and new interdependencies with additional departments.

Draft an Alignment Canvas

Second, grab some sticky notes and try dia-gramming your team and higher business models on an Alignment Canvas.

Use the completed canvas to see things you can:

1. Fix or improve
2. Eliminate (do less)
3. Reinforce (do more)
4. Realign
5. Take advantage of.

Higher Model:

Lower Model:

Business Model Alignment Canvas

Key Partners
List parties who either 1) provide us with a Key Resource, or 2) perform a Key Activity on our behalf.

List parties who 1) provide you with a Key Resource, or 2) perform a Key Activity on your behalf.

Key Activities
Describe essential ongoing actions that create, communicate, facilitate evaluation of, sell, deliver, or support our Value Proposition(s).

Describe essential ongoing actions whereby you create, communicate, facilitate evaluation of, sell, deliver, or support our Value Proposition(s).

Key Resources
List the most important resources (people, financial, intellectual, physical) we need to create, communicate, sell, deliver, and support our Value Proposition(s).

List the most important resources (interests, personality, skills & abilities, experience, knowledge, etc.) you have to create, communicate, sell, deliver, and support the team's Value Proposition(s).

Value Propositions
Describe Customer problems we solve (Jobs-to-be-Done), benefits we deliver, and/or Customer needs we satisfy. Include service/product names.

Describe Customer problems you solve, benefits you deliver, and/or Customer needs you satisfy.

Customer Relationships
Describe the nature of the relationships we have to 1) provide post-purchase Customer upport, and 2) introduce Customers to other offers.

Describe the nature of the relationships you have to 1) provide post-purchase Customer support, and 2) introduce Customers to other offers.

Channels
List key prospective Customer touchpoints that 1) create awareness, 2) enable evaluation, 3) enable purchase, and/or 4) deliver Value.

List key prospective Customer touchpoints through which you 1) create awareness, 2) enable evaluation, 3) enable purchase, and/or 4) deliver Value.

Customer Segments
List in priority order the most important Customer segments to whom we deliver Value.

List in priority order the most important internal or external Customer segments to whom you deliver Value.

Costs
List the biggest Costs incurred for Key Resources, Key Activities, and Key Partners.

List the biggest costs (financial, emotional, social, financial, etc.) of doing your work.

Revenue & Rewards
Describe the specific form of Revenue and/or Reward provided by each Customer segment.

Describe Revenue or Rewards (financial, emotional, social, personal, etc.) you receive from Customers.

Modello restaurant

Dining room team

Higher

Lower

Key Partners

Dining room team

Kitchen team

Steve/Modello

Key Activities

Cook

Serve

Clean up

Advertise

Serve

Clear

Bill

Key Resources

"Personality"

Location

Strong chef

Personality

Drive

Value Propositions

1. Share unique experience

2. Tasty convenience

3. Reliable elegance

1. Happy diners

2. Share unique experience

3. Tasty convenience

Customer Relationships

Face-to-face

Face-to-face

Ch...

1. Dining room

2. Dining room, takeout

3. Catering

1. Face-to-face

2. & 3. Dining room

Customer egments

1. Dinner crowd: couples & families

2. Lunch crowd: professionals

3. Private parties

Dining room team does not serve private parties

1. Modello

2. Dinner crowd: couples & families

3. Lunch crowd: professionals

Costs

Salaries

Rent

Cost of goods

Stress

Time

Energy

Revenue & Rewards

1. Dinner checks, bar tabs

2. Lunch & takeout checks

3. Catering fees

Hourly wage

Tips

Key Partners

Dining room team

Kitchen team

Steve/Modello

Key Activities

Cook

Serve

Clean up

Advertise

Mention catering

Serve

Clear

Bill

Key Resources

"Personality"

Location

Strong chef

Personality

Drive

Value Propositions

1. Share unique experience

2. Tasty convenience

3. Reliable elegance

Reliable elegance

1. Happy diners

2. Share unique experience

3. Tasty convenience

Customer Relationships

Face-to-face

Face-to-face

Channels

1. Dining room

2. Dining room, takeout

3. Catering

Catering

1. Face-to-face

2. & 3. Dining room

Customer Segments

1. Dinner crowd: couples & families

2. Lunch crowd: professionals

3. Private parties

1. Modello

2. Dinner crowd: couples & families

3. Lunch crowd: professionals

Private parties

Costs

Rent

Salaries

Cost of goods

Stress

Time

Energy

Revenue & Rewards

1. Dinner checks, bar tabs

2. Lunch & takeout checks

3. Catering fees

Tips

Catering commission

Hourly wage

The dining room team's revised model with catering-related elements shown in red text.

Valuable Work Detector

Problem or Potential

Something is broken or not working well, or opportunity exists for something new.

Solution or Suggestion

Fixes or repairs, or suggestions for new methods, services, or products.

Issue

Nothing is broken, but rules, regulations, or conditions are changing.

Innovation

Proactively adapting things or circumstances to address issues.

Needs

Something is missing, or there is a desire or appetite for something new or different.

Resource

People, money, materials, or intellectual property that satisfy the need or desire.

Trend

Things are changing or moving in new directions, or people are behaving differently.

Positioning Idea

Proposed ways to exploit trends or minimize risk.

Draft Your Teamwork Table

First, try creating a teamwork table for a group you lead or support. Here is a template:
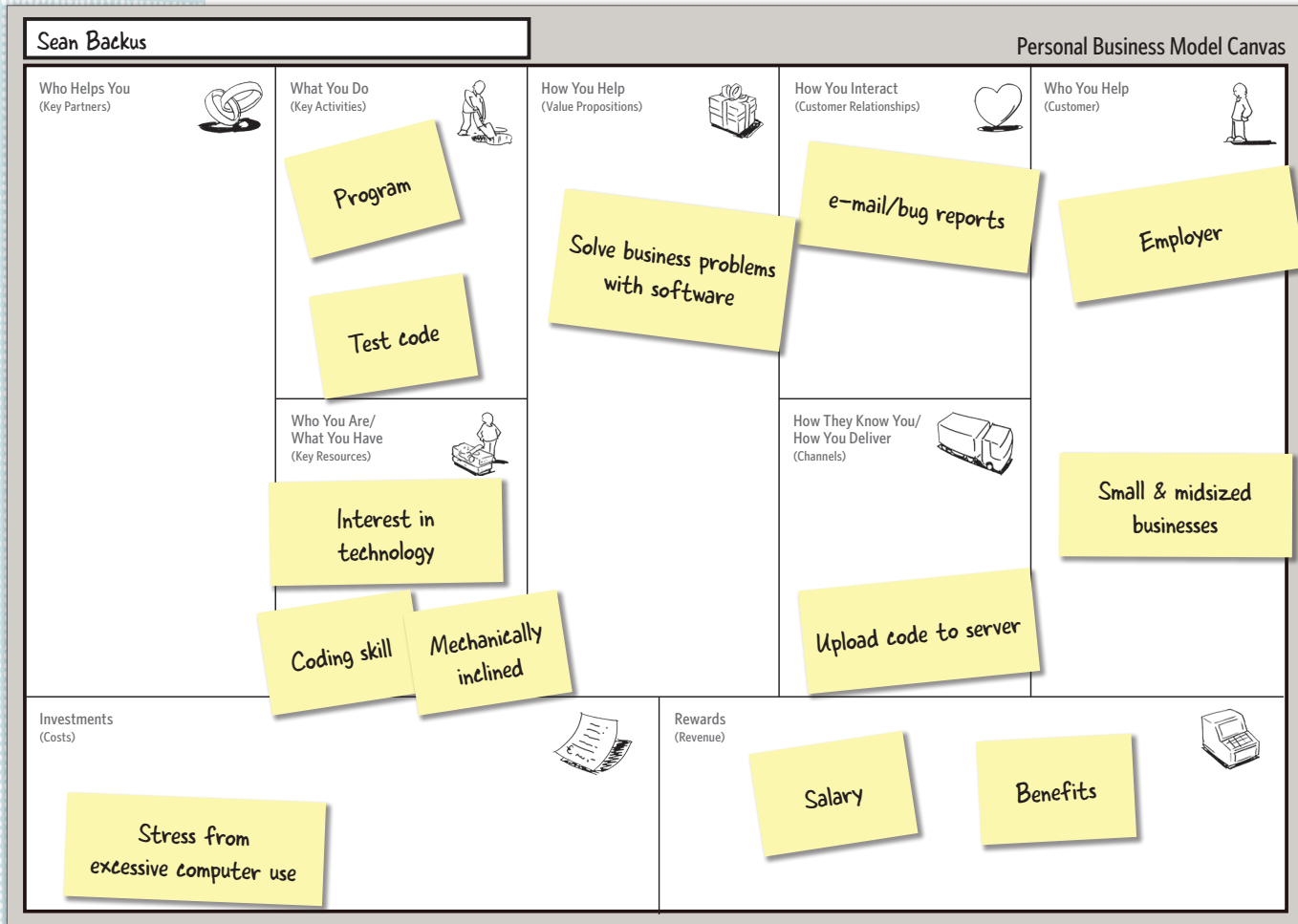
Role	Tasks	Customer	Result of task success	Consequence of task failure

Who Helps You
(Key Partners)

- Who helps you provide Value to others?
- Who supports you in other ways, and how?
- Does anyone supply Key Resources or perform Key Activities on your behalf?
- Could someone do so?

Key Partners could include:
· Friends
· Family members
· Supervisors
· Human resource personnel
· Coworkers
· Suppliers
· Professional association members
· Mentors or counselors, etc.

What You Do
(Key Activities)

- List several critical activities you perform at work each day that distinguish your occupation from others.
- Which of these Key Activities does your Value Proposition require?
- Which activities do your Channels and Customer Relationships require?

   Consider how your activities may be grouped in the following areas:
   · Making (building, creating, solving, delivering, etc.)
   · Selling (informing, persuading, teaching, etc.)
   · Supporting (administering, calculating, organizing, etc.)

Who You Are/What You Have
(Key Resources)

- What do you get most excited about at work?
- Rank your preferences:
   Do you like dealing primarily with
   1) people, 2) information/ideas, or
   3) physical objects/outdoor work?
- Describe a couple of your abilities (things you do naturally without effort) and a few of your skills (things you have learned to do).
- List some of your other resources: personal network, reputation, experience, physical capabilities, etc.

How You Help
(Value Propositions)

- What Value do you deliver to Customers?
- What problem do you solve or need do you satisfy?
- Describe specific benefits Customers enjoy as a result of your work.

Consider whether the help you provide:
· Reduces risk
· Lowers costs
· Increases convenience or usability
· Improves performance
· Increases enjoyment or fulfills a basic need
· Fulfills a social need (brand, status, approval, etc.)
· Satisfies an emotional need

How You Interact
(Customer Relationships)

Channel Phase 5. Followup: How do you continue to support Customers and ensure they are satisfied?
- What kinds of relationships do your Customers expect you to establish and maintain with them?
- Describe the types of relationships you have in place now.

Examples might include:
· Face-to-face personal assistance
· Remote help via telephone, e-mail, chat, Skype, etc.
· Colleague or user communities
· Co-creation
· Self-service or automated services

How They Know You/
How You Deliver (Channels)

- Through which Channels do your Customers want to be reached?
- How are you reaching them now?
- Which Channels work best?

Channel Phases:
1. Awareness: How do potential Customers find out about you?
2. Evaluation: How do you help potential Customers appraise your Value?
3. Purchase: How do new Customers hire you or buy your services?
4. Delivery: How do you deliver Value to Customers?

Who You Help
(Customer)

- For whom do you create Value?
- Who is your most important Customer?
- Who depends on your work in order to get their own jobs done?
- Who are your Customers' Customers?

Investments (Costs)

- What do you give to your work (time, energy, etc.)?
- What do you give up in order to work (family or personal time, etc.)?
- Which Key Activities are most "expensive" (draining, stressful, etc.)?

List soft and hard costs associated with your work:

Soft costs:
· Stress or dissatisfaction
· Lack of personal or professional growth opportunities
· Low recognition or lack of social contribution
· Lack of flexibility, excessive availability expectations

Hard costs:
· Excessive time or travel commitments
· Unreimbursed commuting or travel expenses
· Unreimbursed training, education, tool, materials, or other costs

Rewards (Revenue)

- For what Value are your Customers truly willing to pay?
- For what do they pay now?
- How do they pay now?
- How might they prefer to pay?

Describe your Rewards

Hard benefits might include:
· Salary
· Wages or professional fees
· Health and disability insurance
· Retirement benefits
· Stock options or profit-sharing plans
· Tuition assistance, transportation or child care allowances, etc.

Soft benefits might include:
· Satisfaction, enjoyment
· Professional development
· Recognition
· Sense of community
· Social contribution
· Flexible hours or conditions
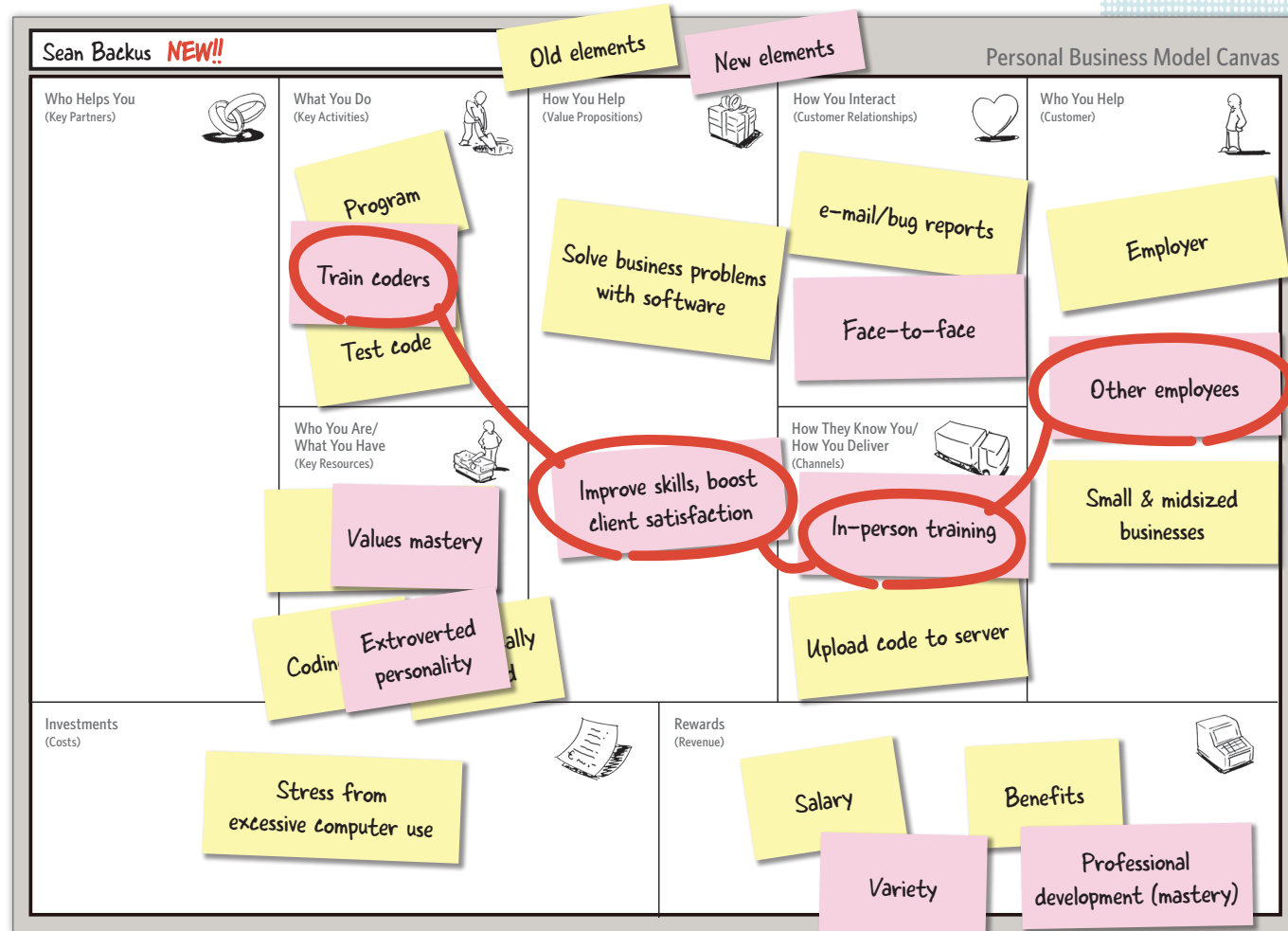
A Personal Business Model Example

Sean Backus was an outstanding new graduate who joined programming teams at two companies in succession—and leaders let him quit each time. Yet Sean's Value Proposition—solving business problems with software—was perfectly aligned with each company. Here is how Sean's personal business model appeared during his first two jobs:

Sean Backus — Personal Business Model Canvas

- **Who Helps You (Key Partners)**
- **What You Do (Key Activities)**
  - Program
  - Test code
- **How You Help (Value Propositions)**
  - Solve business problems with software
- **How You Interact (Customer Relationships)**
  - e-mail/bug reports
- **Who You Help (Customer)**
  - Employer
- **Who You Are/What You Have (Key Resources)**
  - Interest in technology
  - Coding skill
  - Mechanically inclined
- **How They Know You/How You Deliver (Channels)**
  - Upload code to server
  - Small & midsized businesses
- **Investments (Costs)**
  - Stress from excessive computer use
- **Rewards (Revenue)**
  - Salary
  - Benefits

A Happier Teammate, a Stronger Team

At his third job, Sean realized he had been neglecting his strong social tendencies. Programming-only roles had frustrated him, because the immediate work environment—solitary coding in cubicles—satisfied only his technology interests. Sean talked with his manager about his interest in instructing, and the two agreed he would start training other programmers in debugging techniques. Sean's satisfaction soared, thanks to a more varied and social workload, plus a newfound ability to pursue mastery, both for himself and other employees. He contributed even more in the new role, because fewer software bugs meant happier clients.

Personal Business Model Canvas — Sean Backus NEW!!

Old elements / New elements

- Who Helps You (Key Partners)
- What You Do (Key Activities): Program, Train coders, Test code
- How You Help (Value Propositions): Solve business problems with software
- How You Interact (Customer Relationships): e-mail/bug reports, Face-to-face
- Who You Help (Customer): Employer, Other employees, Small & midsized businesses
- Who You Are/What You Have (Key Resources): Values mastery, Coding..., Extroverted personality
- How They Know You/How You Deliver (Channels): In-person training, Upload code to server
- Improve skills, boost client satisfaction
- Investments (Costs): Stress from excessive computer use
- Rewards (Revenue): Salary, Benefits, Variety, Professional development (mastery)

Exercise: Define Your Professional Identity

Here is an exercise that helps colleagues define their professional identity. You can conduct this exercise when interviewing someone who is about to join or leave your team, during a formal development session, or simply as a break from the regular routine with colleagues you now lead or supervise. This four-step exercise is best completed in two sessions, with the quote-gathering and style description tasks assigned in Steps 1 and 2 as "homework" to be submitted in a separate session (mature or highly self-aware participants may be able to complete the exercise in a single session). The only requirement is paper, pencil, and a quiet place to hold the discussion—preferably in a cafeteria, coffee shop, or other place you do not usually meet with the person. Step 1 of the exercise can be conducted with a group as well. Begin with an assurance that this is not a performance review—it is a *performing* review!

Step 1. Define the Results You Produce
Ask three different people who know you well to briefly describe the results you produce at work. People to be quoted can include current or former Customers, partners, bosses, teammates, a coach, commanding officer, teacher, or cler-
gyperson. Their quotes should describe results, not activities. Also, ask quote-givers to describe your work *style;* how you appear to others as you produce results. Aim to compile 150 to 250 words of feedback or observations and write them down on a sheet of paper. See the example of quotes compiled by Ellen, who worked in corporate communications for Boeing.
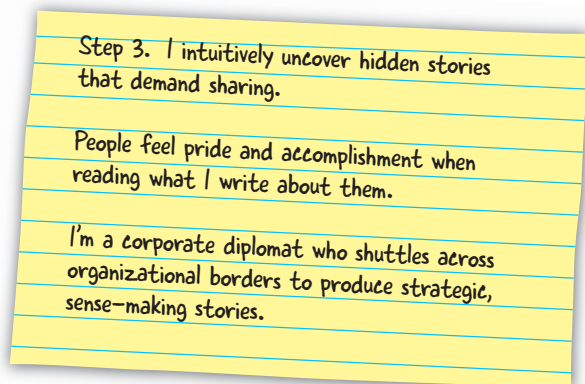
Step 2. Describe Your Style
Review the quotes carefully. Then, summarize the *style* the quote-givers suggest you display in producing results. Use key words from your quote collection, plus your own words. Write this summary on a separate sheet of paper or sticky note. Here is what Ellen wrote for Step 2:

Step 1. The results of Ellen's survey on environmental stewardship helped us change the environmental engagement program. She went beyond a few interviews with environmentally astute employees and used data, not just passion, to back up the ideas she wrote about.
(Director of Environmental Services)

When she organized the Design for Environment initiative during Engineer Week we had more volunteers than we could use. We actually had to turn people away. Clearly values environmental quality and protections and gets others engaged in these issues.
(Chief Engineer, Supplier Services Group)

Ellen initiated and then co-led the team that created a successful customer service recognition program, despite changes in direction from incoming executives and division reorganizations. Her diplomatic style enabled her to coax people along so that the program never got derailed.
(Corporate Communications Director)

Step 2. I engage others and generate enthusiasm. I shine light on others' work. Diplomatic. Resilient in the face of changing objectives. Do more than just meet standards.

If you assigned Steps 1 and 2 as homework, have the participant bring two copies of each of their documents to the next session. Give the Step 3 instruction, then read over the documents while the participant works on Step 3.

Step 3. Summarize Your Professional Identity
Summarize your quote compilation in a brief, first-person ("I") statement. This should be a concise summary of what you deliver—your Value Proposition—and the way your deliver it. Keep your statement to 50 words or fewer. Here is what Ellen wrote:

Step 3. I intuitively uncover hidden stories that demand sharing.

People feel pride and accomplishment when reading what I write about them.

I'm a corporate diplomat who shuttles across organizational borders to produce strategic, sense-making stories.

Step 4. Debrief
Compare your colleague's compiled quotes from Step 1 with the Step 2 style description. Do they seem to be accurately capturing what other people said? Do they show good awareness of their value delivery style?

You may find some of the following debriefing questions helpful:
• Do you have a strength others noticed but in which you yourself lack interest?
• What do these quotes and descriptions suggest are key values you use to make judgements, choices, or decisions?
• What is an ideal but feasible work scenario in which you use and develop this professional identity?
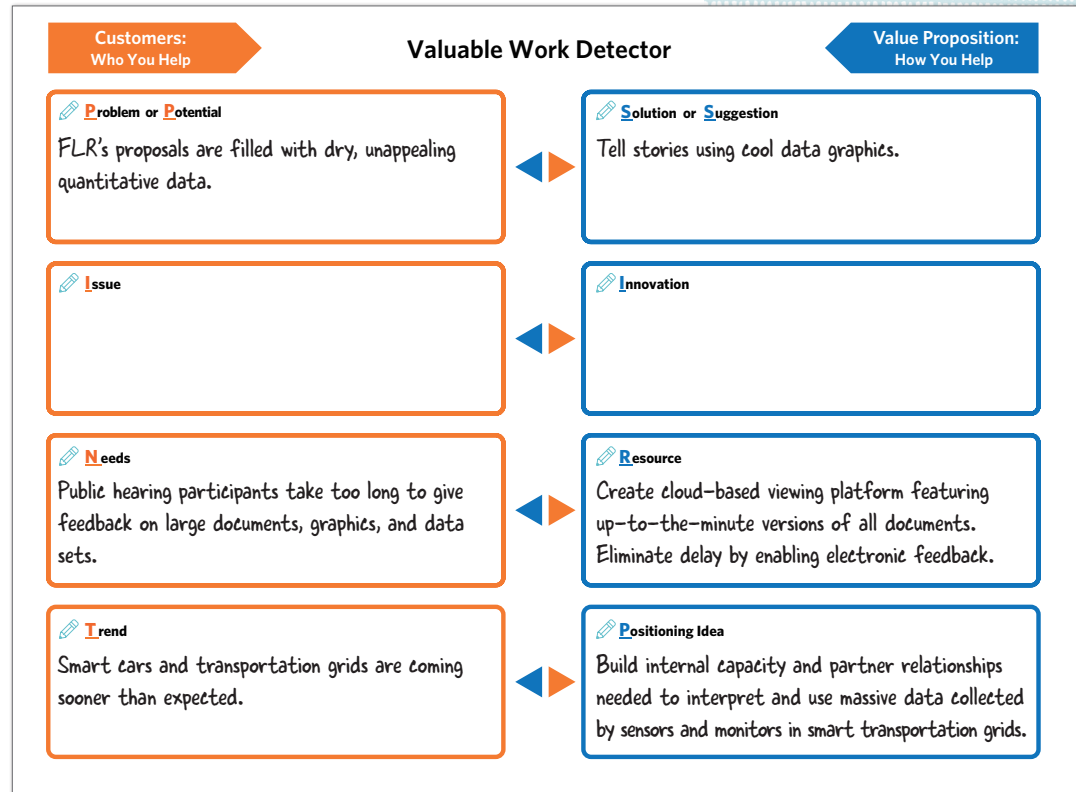
A colleague's professional identity will evolve and change over time, often without that colleague realizing it. That is why it is important to start early and repeat this exercise periodically with direct reports or colleagues you supervise. You are gathering feedback about the manner in which people perform in various roles. We have all seen people who achieve solid results but leave a trail of conflict, discord, or disengagement in their wake. *How* people deliver results matters.

As with all leadership techniques, it is smart to practice on your own before helping others. Try the Define Your Professional Identity exercise together with a colleague or other thought partner.

Jim asked Wayne to post an oversized Valuable Work Detector on the office wall and write in at least one element related to FLR's latest strategy decision. Wayne quickly matched his personal Value Proposition with three PINT elements.

Jim smiled with satisfaction as he watched Wayne lay out a potent new way he could contribute to FLR. *These tools sure have made my job easier, he thought. Focusing on an external object and a physical task makes all the difference.* The HR director shook his head as he thought of the years he had spent working in a very different way.

Within the hour both men saw with startling clarity that Wayne was ideally positioned to head up the new smart transportation systems initiative within FLR. Days later the CEO agreed to the move. Now, Wayne was happily on his way to bigger things at FLR—and Jim enjoyed the warm afterglow of true leadership.

Customers:
Who You Help

Valuable Work Detector

Value Proposition:
How You Help

Problem or **P**otential
FLR's proposals are filled with dry, unappealing quantitative data.

Solution or **S**uggestion
Tell stories using cool data graphics.

Issue

Innovation

Needs
Public hearing participants take too long to give feedback on large documents, graphics, and data sets.

Resource
Create cloud-based viewing platform featuring up-to-the-minute versions of all documents. Eliminate delay by enabling electronic feedback.

Trend
Smart cars and transportation grids are coming sooner than expected.

Positioning Idea
Build internal capacity and partner relationships needed to interpret and use massive data collected by sensors and monitors in smart transportation grids.

When Fitting In Is a Matter of *Skyle*
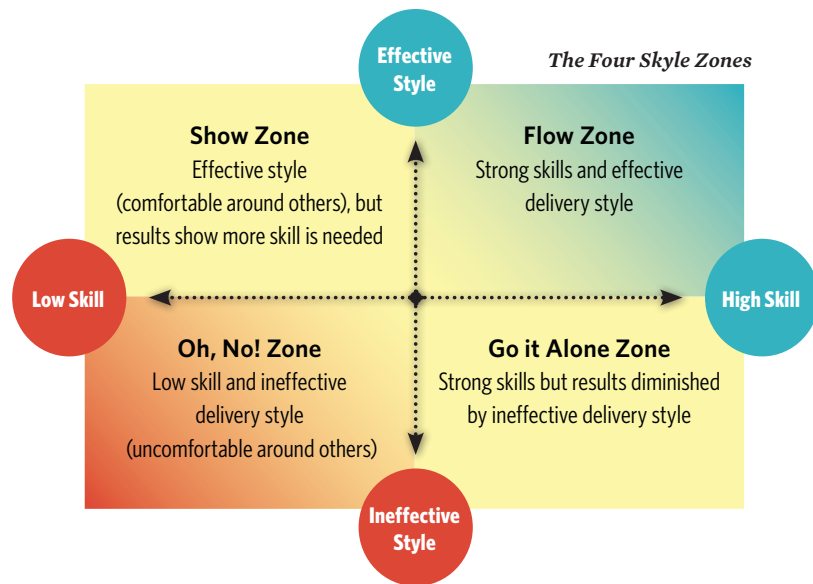
Skill + Style

Sometimes an individual's problems within a team have more to do with style than substance. In part, this is because leaders tend to have a one-dimensional view of talent. They over-focus on skill while missing the power of the behavioral style by which results are delivered. This combination of skill + delivery style (*skyle*) goes beyond what people *can* do to encompass *how they do it.* Good *skyle* means being comfortable and friendly with other people and creating fit with role, leader, team, organization, and Customers. Poor *skyle* means being uncomfortable or aloof around others or creating friction that diminishes results.
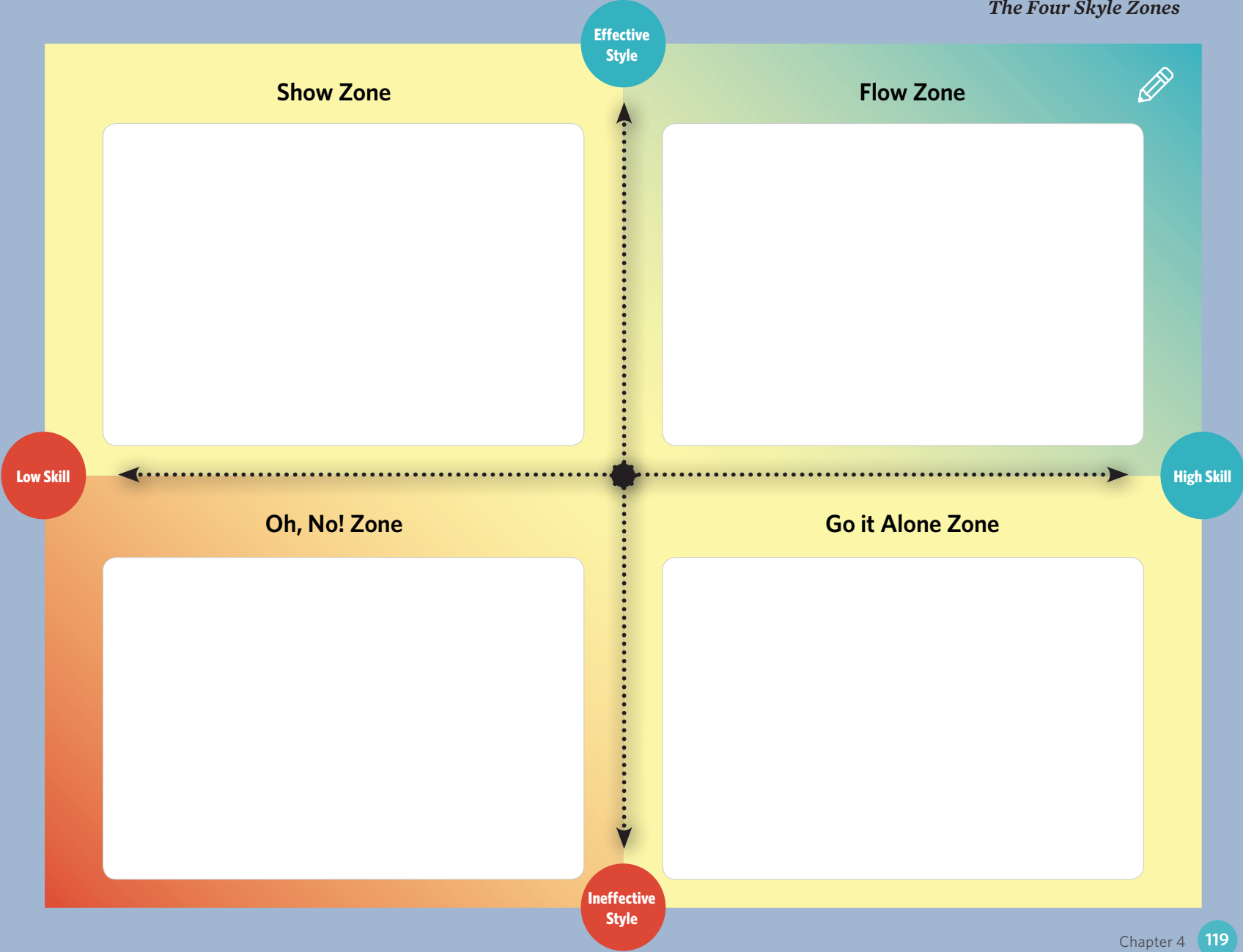
You can help people fit in—and improve your leadership—by becoming sensitive to your colleagues' delivery style. The first step is to recognize that peoples' professional identity includes personal styles that vary in effectiveness. When someone shows good operating style, a leader's challenge is to support its continued use—and discourage overuse. A suboptimal style calls for early and possibly frequent coaching.

When someone exhibits poor style, broaching a conversation about change can be tough. If the skill level is adequate, though, and the real issue is style, you can balance the discussion by discussing both. A good way to do this is by using another third object tool: Skyle Zones.

Skyle Zones

Skyle Zones is a four-quadrant matrix showing skill level on the horizontal axis and style effectiveness on the vertical axis. For example, someone with low skill and an ineffective style scores in the lower left quadrant: The Oh, No! Zone. Someone with strong skills and good style scores in the upper right quadrant: The Flow Zone, and so forth.

The Four Skyle Zones

Effective Style

Show Zone
Effective style (comfortable around others), but results show more skill is needed

Flow Zone
Strong skills and effective delivery style

Low Skill

High Skill

Oh, No! Zone
Low skill and ineffective delivery style (uncomfortable around others)

Go it Alone Zone
Strong skills but results diminished by ineffective delivery style

Ineffective Style

Effective Style

Show Zone

Flow Zone

Low Skill

High Skill

Oh, No! Zone

Go it Alone Zone

Ineffective Style

Career Collaboration Framework: The Three Questions

Three critical questions—whether consciously voiced or not—underpin the decisions of people who are striving to make progress at work. The Three Questions address the entire universe of possibilities for career-related action. As you read this section, adopt the viewpoint of yourself as a career-seeking professional.

1Q

*Is it time to **Move Up?***

When you like your profession, your organization, and your role—and you want to progress—it may be time to *Move Up. Moving Up means progressing, not necessarily getting a promotion.* People define progress differently. For some, it may mean greater responsibility and higher compensation. For others, it may mean shifting into a more satisfying role, regardless of rank or compensation.

2Q

*Is it time to **Move Out?***

When there is no longer a good fit with your profession, organization, or role, it may be time to *Move Out.* Note that "moving out" can mean staying with the same organization but moving out of a team or role (or separating from a supervisory relationship) that is no longer a good fit. Forward-thinking leaders understand that discussing "moving out" options is not the same as questioning loyalty. True leaders want to find the best place for people to exercise their talent.

3Q

*Is it time to **Adapt Your Style?***

When you like your profession, your organization, and your role—but are falling short of the progress you want—it may be time to *Adapt Your Style.* Note two things: First, stagnation is most likely your own responsibility rather than someone else's fault. Second, competence is probably not the issue. Instead, it is likely there is something about the style by which you deliver value that can be adapted to better fit your circumstances. Identifying and addressing a needed style change requires good feedback and coaching (see page 116 for a review of work delivery style).

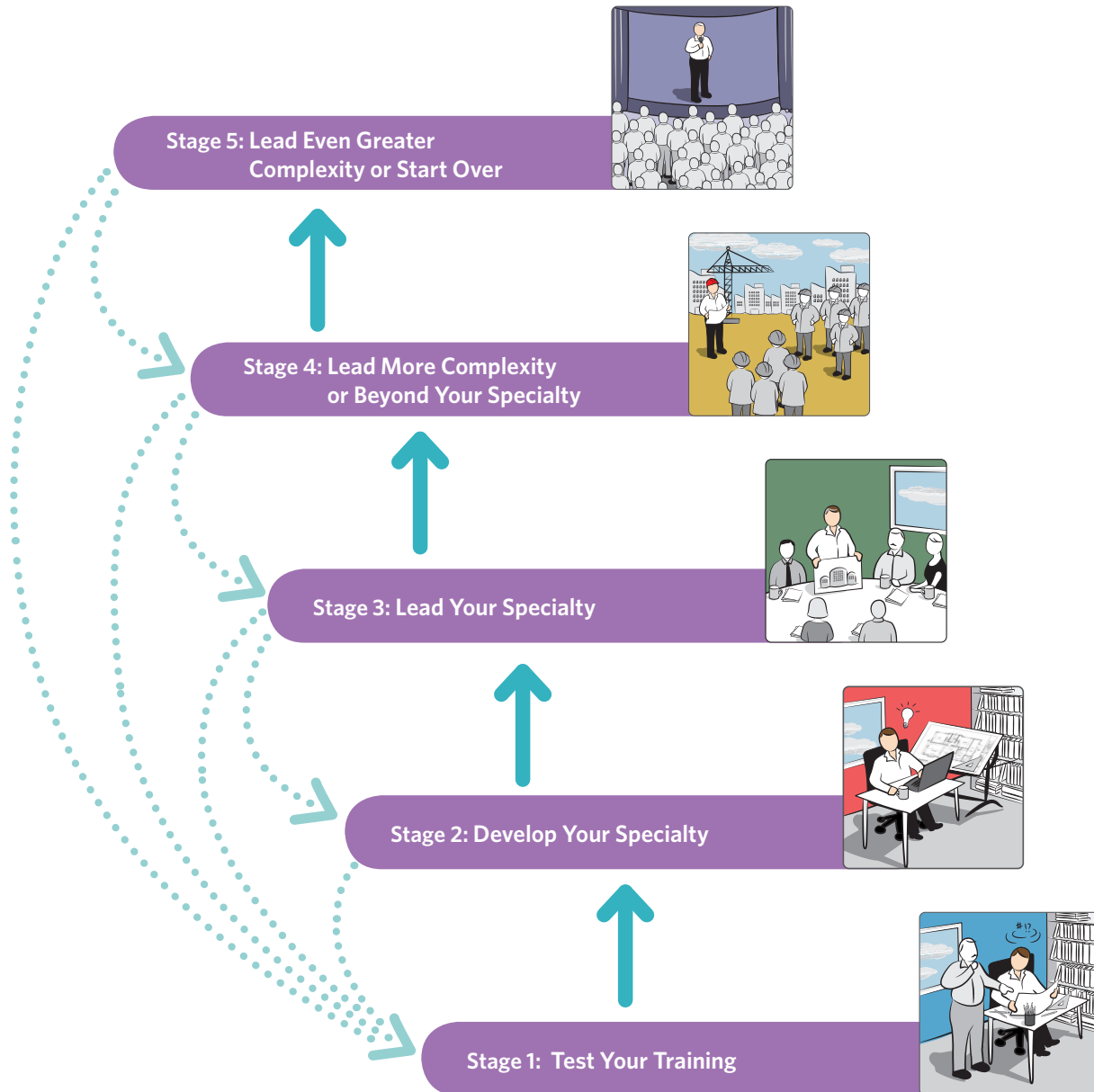# Five Things to Remember About the Three Questions

First, everyone must answer the Three Questions over and over again. This is not because they give the wrong answers each time! It is because people constantly evolve as individuals, as do the markets in which they work. That means people must regularly modify their personal business models: Adapting Style, Moving Out to a different team or new boss, or Moving Up to contribute more effectively to a group's purpose.

Second, there is no need to ask the Three Questions daily. The questions come into play only for those who sense the need for professional change—or when external forces demand it.

Third, leaders who use the Three Questions demonstrate through action that they are serious about both their own and other people's development. Through their actions, they ask others to assume responsibility for undertaking work that supports team goals. This shared responsibility eases the burden on leaders who are already hard-pressed to devote more time to coaching.

Fourth, the Three Questions approach legitimizes both the leader's and the individual's need to openly discuss Move Up, Move Out, and Adapt Style options. People can contemplate their work and make choices in the privacy of their own minds. But it is far more effective for people to contemplate the Three Questions aloud with a leader and mutually agree how their talent can best be deployed within a team or enterprise. The approach turns professional development—often a passive intellectual concept—into a concrete activity.

Finally, using the Three Questions eases difficult work-related conversations.

The Five-Stage Career Model

Stage 5: Lead Even Greater Complexity or Start Over

Stage 4: Lead More Complexity or Beyond Your Specialty

Stage 3: Lead Your Specialty

Stage 2: Develop Your Specialty

Stage 1: Test Your Training

Step 1

In the "Colleagues" row of the table below write the names of one, two, or three people you lead. Choose people you think might benefit from a Three Questions conversation: for example, one or more of your highest- or lowest-performing team members.

Step 2

Under each person's name, choose either the **Move Up? Move Out?** or **Adapt Style?** cell and briefly describe evidence suggesting why you think that Question is most relevant to the person at this time.

✏ Colleagues	1:	2:	3:
Move Up? Evidence of need to Move Up			
Move Out? Evidence of need to Move Out			
Adapt Style? Evidence of need to Adapt Style			

Step 3 ✏ Decide which colleague is most important for you to speak with first. Below, write what you will say when inviting them to have a Three Questions conversation:

Finally, which of the Three Questions is most relevant for *you* at this time? Do you have a colleague, friend, boss, or partner who could tell you which question they think is most relevant for you, and why? Ask.
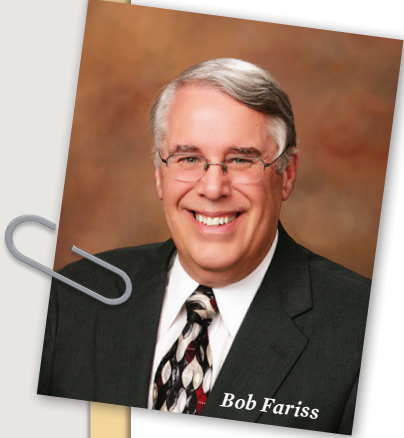
Abandoning *What*, Starting Over With *Why*

Bob Fariss

Fitness center franchise Fit For Life had always promoted *what* it offered: beautiful facilities and fantastic equipment—things few members could afford to own themselves. But the U.S. recession that began in 2008 nearly killed the business: customers quit in droves after deciding that gym membership was, after all, a luxury. The owner brought in a new partner to turn things around.

The franchise's new CEO, Perry Lunsford, recognized that remaining members were those committed to long-term training programs—they did not consider gym memberships discretionary. Based on that insight, Perry, a fan of Simon Sinek's Golden Circle,[1]

decided to reverse the traditional gym strategy. Instead of focusing on Fit For Life's *what*—facility and equipment—he would promote Fit for Life's *why:* fitness and good health. Perry and his team defined their *why* as "to change people's lives."

The revamped company achieved good results by presenting life-changing personal fitness, rather than facility access, as the key membership benefit. Yet Fit For Life still faced a stiff challenge. It had successfully redesigned its strategy, but now it needed employees to commit to the new *why:* to align each individual *me* with the collective *we.*
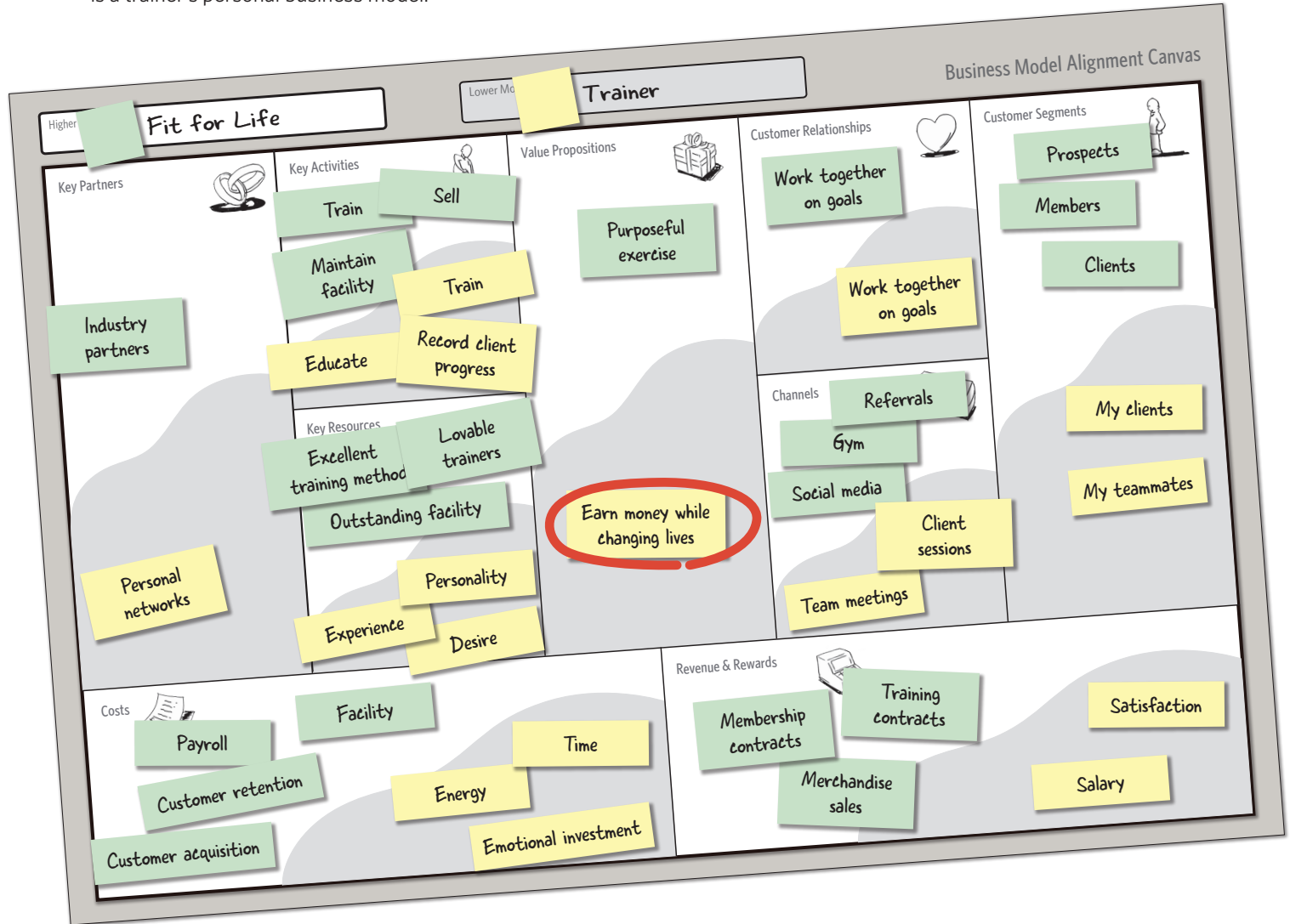
Fit for Life's Application of The Golden Circle

We believe all lives can be changed for the better and find purpose in our own lives making that happen

The way we change lives for the better is through purposeful exercise programs

We sell affordable, effective fitness programs in beautiful, friendly facilities

Why

How
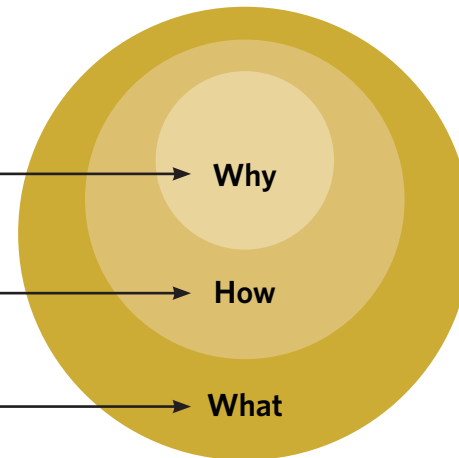
What

The first person hired from the new advertisement doubled his gym's sales conversion rate in his first four weeks. "The goal is not to hire people who need a job," says Bob. "As Simon Sinek says, the goal is to hire people who believe what you believe." Now, all Fit For Life staff get the *why*—here is a trainer's personal business model:

Business Model Alignment Canvas

Trainer

Higher   **Fit for Life**   Lower Mo

Key Partners

Industry partners

Personal networks

Key Activities

Train   Sell

Maintain facility   Train

Educate   Record client progress

Key Resources

Excellent training method   Lovable trainers

Outstanding facility

Personality

Experience   Desire

Value Propositions

Purposeful exercise

Earn money while changing lives

Customer Relationships

Work together on goals

Work together on goals

Channels

Referrals

Gym

Social media

Client sessions

Team meetings

Customer Segments

Prospects

Members

Clients

My clients

My teammates

Costs

Facility

Payroll

Customer retention

Customer acquisition

Time

Energy

Emotional investment

Revenue & Rewards

Training contracts

Membership contracts

Merchandise sales

Satisfaction

Salary

FITNESS CENTER

160

Karen: Account Manager to Consultant

Personal Strategy Canvas

Knowledge

Books to read:
1. Influence
2. Speed of Trust

Take service design training course via Lynda.com

Skills + Abilities

Join Toastmasters

Find finance mentor

Practice listening, deep asking, summarizing

Personality

Practice open-ended questions

Control perfectionist impulses!

Network

Create new contacts via Meetup, LinkedIn

Find experienced consulting mentor

Physical + Mental Fitness

New exercise program

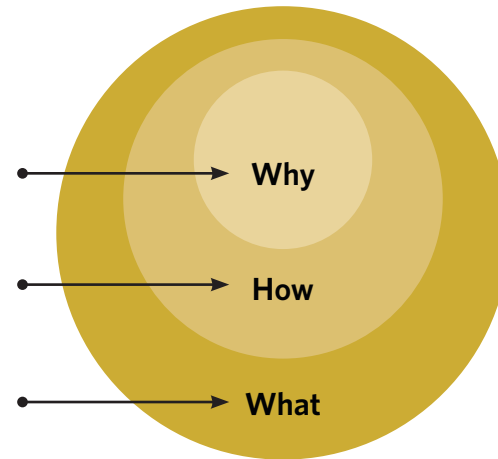### Financial Fitness

OK here ;)

Things to Try on Monday Morning

The Golden Circle

What is the underlying *non-financial* purpose or cause driving you? → **Why**

What sets you apart from others in the *way* services or products are offered? → **How**

What services or products do you offer? → **What**

Define the Why[4]

Here is a real challenge: use the table below to define the *what, how,* and *why* for your enterprise, team, and yourself. Your team and enterprise *what* should be easy: these are services and/or products offered. The *how* should be straightforward as well: your business model shows how services and/or products are delivered. But the *why* can be tough. Hint: Describe your enterprise Value Proposition. How does it relate to the reason your organization exists?

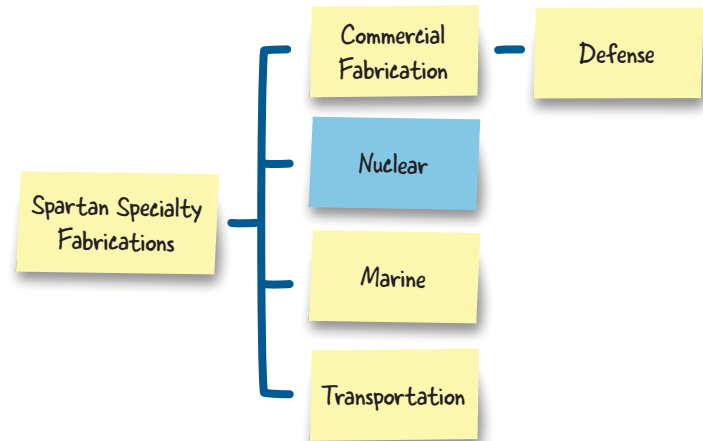|	Enterprise	Team	You
What			
How			
Why			

The Reorganization

Boris had started Spartan's nuclear business as a small, specialized "product team" reporting directly to the CEO. After Boris hired Lianne, sales jumped, thanks in large part to Lianne's extensive regulatory expertise. So when health problems forced Boris to take a six-month leave of absence, he pushed for Lianne to take over the nuclear team—and become Spartan's first woman manager.

Other Spartan executives argued—correctly—that Lianne lacked leadership experience beyond project management. These executives included general manager Damian Glynn, who also led Spartan's Commercial Fabrication business unit. Commercial Fabrication served infrastructure builders by constructing everything from bridge components to oil rigs.

In the end, Lianne was promoted to manager of the nuclear team. But in a nod to those who felt she needed more leadership experience, her nuclear team was made into a sub-team reporting to Damian's Commercial Fabrication division.

The logic was twofold: 1) Damian would provide extensive fabrication leadership experience, and 2) Nuclear was similar to the Defense group—another team with a highly uniform Customer base—which also reported to Commercial Fabrication. The reorganization made sense on paper. But in practice, it was a mess.

Nuclear started as a standalone product team . . .

. . . then was repositioned as a Commercial Fabrication sub-team
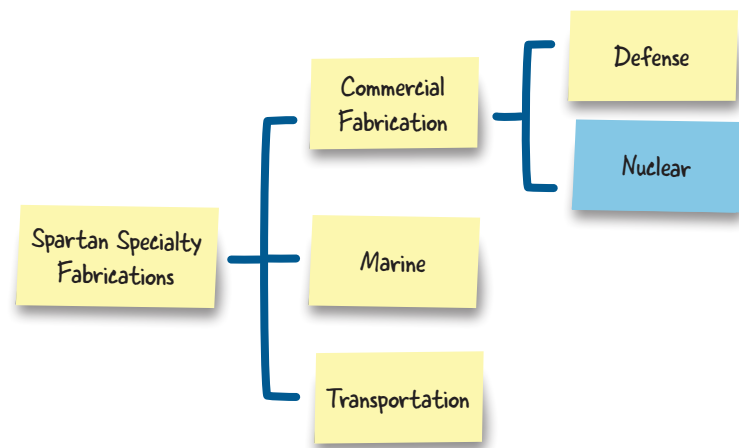
Business Model Basics

The next day, Boris demonstrated enterprise, team, and personal business model basics, then helped Lianne draw the Nuclear team model. The insights flowed as she saw how the nine Canvas elements were interrelated. "This lets us visualize how we operate as a business within a business," she said. "I'm going to ask my team to diagram our model."

Two days later found Lianne and four of her staff busy working with oversized Canvas posters in a conference room, diagramming "as is" and "to be" models of the Nuclear team. "This is great stuff!" exclaimed a senior project director, after the colleagues had spent nearly three hours diagramming and discussing their team business model. "I've worked here for eight years and managed projects worth tens of millions of dollars. But no ever explained our business model to me. Why did this take so long?"

"I know what you mean," Lianne sighed. "But insights take as long as they take. Let's list up what we've learned from analyzing our team model." She stepped to a whiteboard, grabbed some colored markers, and wrote down points as her colleagues called them out.

"I'm going to share this with upper management and open some eyes and ears!" Lianne exclaimed as the meeting disbanded. She felt more excited about work than she had in

months. Determined to win support for her nuclear team's "to be" model, she immediately called Damian's secretary and scheduled a meeting.

But her meeting with Damian flopped.

Building Block	Notes on "as is" Model	Notes on "to be" Model
Value Proposition	Value Proposition: We "deliver on time and as promised." That's Activity any vendor offers, not Value	We build reputations: our Customers boost their own credibility by listing us as a fabricator in their proposals
Customers	Vague concept of internal Customers, Value Proposition to Spartan undefined	Spartan recognized as our most important Customer. Our Value Proposition to Spartan is big earnings
Key Resources	Over-reliance on a few managers with regulatory expertise	Need more and broader training in regulatory/safety affairs
Costs	Constant pressure/worry over high compliance (administration) costs	Compliance is a key source of reputation and earnings, not "administration." It needs even more investment!
Key Partners	Independent thinking, heroic "go-it-alone" attitude, reluctance to use outside partners	Interdependent thinking, collaborative "we need some help" attitude, more use of outside partners

Spotting a Gap: Innovate vs. Comply

Higher Model: Commercial Fabrication — Innovate!

Lower Model: Nuclear Division — Comply!

Business Model Alignment Canvas

Key Partners
- Material suppliers
- Contingent labor procurers
- Safety inspectors
- Regulators
- Material suppliers

Key Activities
- Design
- Build
- Innovate!
- Comply!
- Design
- Build
- Process bids, work order changes, contracts, inspection documents

Key Resources
- Highly-skilled workforce
- Can-do, will-do spirit
- Specialized equipment, tools
- Highly-skilled workforce
- Specialized equipment, tools
- Regulatory expertise

Value Propositions
1. Good earnings and stronger reputation
2. Provide robust, one-of-a-kind infrastructure components
1. Top earnings and strong reputation
2. Build client reputations

Customer Relationships
- In-person inspections
- On-site inspections
- Contract monitoring

Channels
- Attend conferences
- Respond to RFPs
- Executive outings
- Attend conferences
- Respond to RFPs

Customer Segments
1. Spartan Specialty Fabrications
2. Infrastructure builders
1. Spartan Specialty Fabrications
2. Nuclear power industry contractors

Costs
- Materials
- Overtime
- Wages
- Contingent wages
- Materials
- Wages
- Contingent wages
- High-cost inspection, other outside services

Revenue & Rewards
1. Operating budget
2. Change order charges
2. Bid price
2. Overtime fees
1. Operating budget
2. Bid price

"This tool juxtaposes two business models to check for alignment—or misalignment," said Boris. He unrolled a poster-sized paper, taped it to the wall of Lianne's office, and explained Alignment Canvas basics. "Now, draw Commercial Fabrication as your higher model, and the Nuclear team as your lower model," the mentor instructed. He sat and watched as Lianne outlined the two models on the poster.

Building Block	Commercial Fabrication	Nuclear Division
Key Activities	(Watchword: Innovate!) Focus on designing and building from scratch	(Watchword: Comply!) Focus on documenting bids, contracts, change orders, inspections, building to plan
Customers	Customers value innovation, speed, and cost-cutting. They are lightly regulated	Customers value compliance, caution, and orthodoxy. They are highly regulated
Revenue	Varies widely with negotiated change order/overtime fees. Based on general estimates	Predictable and reliable revenue stream, based on careful calculations
Costs	Low outside contractor expenses; safety inspectors are already on payroll	High outside contractor expenses; quality inspectors, auditors, specialized engineering consultants are not on payroll
Key Resources	Minimal training needs. Can draw people from other Spartan divisions as needed	Strong need for training in regulatory/safety affairs. No such expertise elsewhere in Spartan

Lianne and Boris compared and contrasted the Commercial Fabrication and Nuclear team business models for a full hour and a half. Then Lianne suggested listing key differences between the two models. Boris walked briskly to the whiteboard and grabbed a black marker. Lianne made observations and Boris wrote them down.

"This is amazing," said Lianne. "And it gives me an idea how I might get Damian on board."

Making the Case with PINT

For months, Lianne had been pushing Damian for approval to hire two additional quality engineers. She requested a three-hour meeting with her boss—and she had to wait two weeks to get one. *But the wait was well worth it*, Lianne thought later.

At the session, Lianne taught Damian Canvas basics, shared her Nuclear team model, then unveiled an Alignment Canvas showing the Commercial Fabrication model juxtaposed with the Nuclear team model. Finally, she unrolled a large, handwritten document. "Boris calls this the Valuable Work Detector," she said. "I just call it the **PINT tool**."
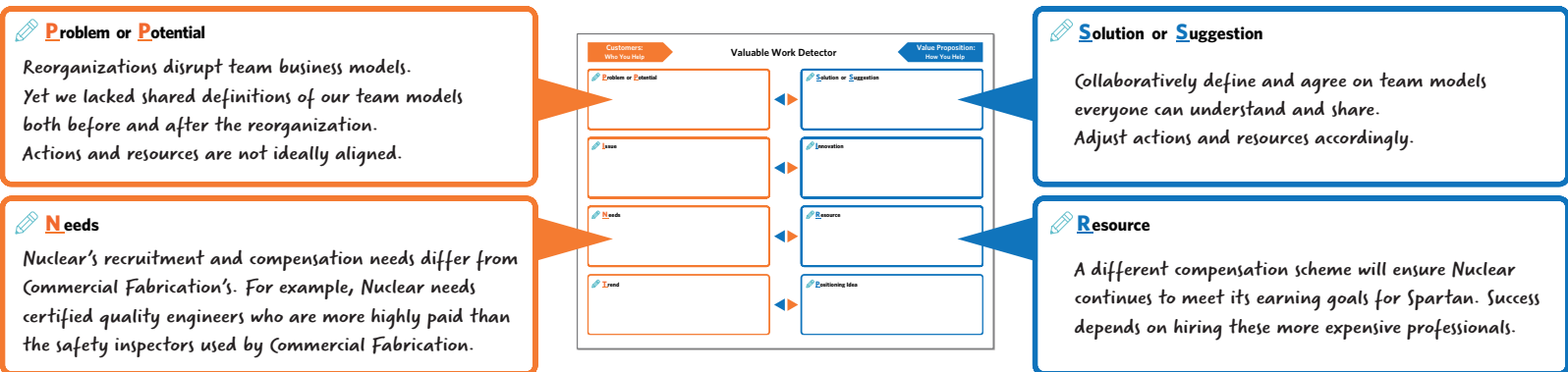
"Well, I must say I'm impressed," Damian admitted when they were done. "I remember the Canvas from an executive MBA class I took a few years back, but thought it was just for startups. And this is my first time with the PINT tool." He looked down at his boots for a moment and hesitated before speaking.

"Listen, Lianne," Damian continued as he looked up, "I've got my hands full running Commercial Fab, overseeing Nuclear and Defense, plus doing general management. Maybe your needs haven't shown up enough on my radar. But you make a good case why Commercial Fab and Nuclear don't align. Feels sort of like a forced fit."

Lianne fought the urge to remind Damian that he had pushed for Nuclear to be under his group. But she saw her opening, and surprised herself with the words that tumbled out. "Well, Damian, let's do something about a situation neither of us likes. How about we present this Alignment Canvas together at the next executive off-site and call for action on it?"

Damian floored Lianne with his quick, positive reply.

"It's a deal," he said.

Problem or Potential

Reorganizations disrupt team business models. Yet we lacked shared definitions of our team models both before and after the reorganization. Actions and resources are not ideally aligned.

Needs

Nuclear's recruitment and compensation needs differ from Commercial Fabrication's. For example, Nuclear needs certified quality engineers who are more highly paid than the safety inspectors used by Commercial Fabrication.

Valuable Work Detector

Customers: Who You Help | Value Proposition: How You Help

Problem or Potential | Solution or Suggestion
Issue | Innovation
Needs | Resource
Trend | Positioning Idea

Solution or Suggestion

Collaboratively define and agree on team models everyone can understand and share. Adjust actions and resources accordingly.

Resource

A different compensation scheme will ensure Nuclear continues to meet its earning goals for Spartan. Success depends on hiring these more expensive professionals.

A Launch Brief for You

It is time for you to start using team business models. Refer back to the Draft Your Team's *Why* Statement. Then, revisit the Define the *Why* exercise. After you have thought carefully about those two exercises, jot down your thoughts in the Launch Brief below:

1. Why do I want to do this?

2. What would success look like? (define one measurable success indicator)

3. Define steps needed to make it happen.

4. When you have worked through your Launch Brief, share it with a thought partner and discuss how to proceed.