

The design business model canvas.

The Design Business Model Canvas was developed by Greg Branson for the Design Business Council in 2013. It takes the Osterwalder model one step further and adds competitors to the mix. The result is a competitive strategy tool for design studios.

A competitive strategy.

Adding competitors to the canvas helps studios show how they differ from their competitors.

There was a time where a studio could rely on a superior design offer or a well-honed account service to protect themselves from competitors. No more.

A majority of Australian studios offer the same services to the same clients by doing the same tasks (design, artwork, project management). In that scenario, studios don't prosper, clients do.

Clients will benefit because head-to-head competition drives prices down to a point where returns are inadequate. Michael Porter, the strategy guru, defined this as 'destructive competition'.

We see this in the Australian design industry with too many start-up studios rushing into the market with identical business models and no strategies to differentiate themselves.

Studios gain competitive advantage when they are unique, when they do things no other studio does, in ways that no other studio can duplicate.

The canvas below shows the role of the design manager in a Design Business Model Canvas.

Role of the design studio visualised on a Design Business Model Canvas.

<i>Key partners</i> Keeping the key partners aligned with the studio goals	<i>Strategies/ Activities</i> Working with the owners to develop the business strategies that will build the studio	<i>Design value proposition</i> Working with the owners to define the value that the studio offers to each client	<i>Client relationships</i> Ensuring that communication with clients is in line with the strategies and the value proposition.	<i>Client segments</i> Working with the owners to define the client segments, key clients and prospective clients.	<i>Competitors</i> Working with the owners to identify the key competitors and continually assessing how the studio competes.
	<i>Key resources</i> Managing the effective use of all resources		<i>Communication channels</i> Managing all of the communications about the studio.		
<i>Cost structures</i> Defining the cost structures within the studio (expenses and sales budgets)			<i>Revenue streams</i> Examining job profitability and determining where new revenue streams can be introduced.		