



by Ann Davidson

In July 2015 I was a participant on the Coneect Programme in Munich, Germany. On day four, as part of the High Growth stream, my group was given the task of working with a young start-up based within the University's incubator. Our task was to design and run a workshop for the start-up's co-founders, that would enable them to identify methods of tackling an issue or obstacle that was standing in the way of business growth.

The start-up's founders had come together as students, to form a group with a range of expertise in foreign languages, physiology and international business and culture. Their idea was to provide a service-based consultancy to multinational companies with cross-border project teams. They believed that their skills and expertise could help these project teams to work harmoniously, effectively, and quickly.

### My Story

In this story I reflect on the lessons learned through the experience of developing a learning experience in a 'live' environment with immediate feedback from our learners!

The challenge the company presented to our group was a marketing issue. The company had crafted a business model around their idea, using the business model canvas, and had used the canvas to identify the initial steps they had to take in order to get to market and gain some traction. However, they had reached

the stage where they felt that the volume of clients making use of their services was not as high as they had forecast. They recognised that to move things forward they needed to develop a marketing campaign that generated a stronger emotional connection with their identified customer segments. Hence the challenge they set our group: could we facilitate a workshop that would help them think of ways to infuse their marketing with greater 'emotional connection'?

To help us get started, the group presented a comprehensive pitch, one that they were due to make later that night in a pitching competition. Our group decided to use the Business Model Canvas (BMC) (Osterwalder and Pigneur, 2010), as a way of recording the information, and to map out our understanding of their current business model. The logical next step was to dig a bit deeper within each of the nine segments represented in the BMC (Value Proposition, Key Activities, Key Resources, Key Partnerships, Cost Structure, Customer Relationships, Customer Segments, Channels and Revenue Streams) to work out how these building blocks worked and interacted with each other. We also wanted to understand how their business model was influenced by the external market place.

To explore their business model we used the BMC as a framework for asking a series of probing questions including:

## Books

- What insights had they had about the benefits their clients associated with their services?
- How had these insights shaped their value proposition?
- How effective did they believe their marketing to be?
- Did they know who their customers were and did they understand their main characteristics?
- Did they see possible partners becoming potential competitors in the future?



Osterwalder, A. and Pigneur, Y. (2010) *Business Model Canvas: A Handbook for Visionaries, Game Changers and Challengers*. New York: John Wiley & Son.



Johansson, F. (2004) *The Medici Effect – Breakthrough Insights at the Intersection of Ideas, Concepts and Cultures*. Boston: Harvard Business Press.



Gregerson, H. B. (2011) *The Innovator's DNA: Mastering the Five Skills of Disruptive Innovators*. Boston: Harvard Business Press.

Initially, the co-founders believed that the challenge they faced was rooted in identifying the appropriate marketing channel and possibly the relationship they had with their customer.

However, once our group had mapped out the operational aspects of the business using the BMC and moved on to ask the wider range of questions outlined above, we 'observed' that there were a number of other challenges facing their business.

The main challenge they faced appeared to be a weakness in their 'Value Proposition'. They had crafted this along the lines of 'we facilitate global teams', when, in fact, this motto was closer to a description of their 'Key Activities'. They had yet to identify the benefits that customers attached to these activities: a possible reason why they were finding it difficult to develop marketing literature with an emotional connection to their chosen customer segments.

We advised them to embark on some classic, design-thinking based customer observations, and to gain some insight into a few of the problems these customers were facing as a result of working with global project teams. The next step was to match their skills and expertise to these problems, by offering up solutions that provided the gains these customers were looking for. In other words, matching the features of their service to the benefits desired by the customers. The ability to 'market' this match, or synergy, to customers could help provide the emotional connection that they needed in their marketing campaign. We also stressed that this exercise might also inform their choice of marketing channels, and help get their message across.

### Lessons Learned

Reflecting on this session led me to identify that we had blended design-thinking methodology (covered on day three in the Coneect Programme) with the concept and framework of the BMC, and used this combined methodology to solve a challenge and generate potential solutions

for an existing business. This experience was set to change the way I structured and delivered workshops in the future.

Prior to the Coneect workshop, I had been involved in the design and delivery of a series of workshops for The Scottish Institute for Enterprise's (SIE) Innovation and Enterprise Programme. SIE is the body responsible for co-ordinating and stimulating entrepreneurial thinking and enterprise across higher and further education in Scotland.

Up until my participation in Coneect I had generally structured my workshops around a problem based learning model, where I encouraged workshop participants to help SIE alumni start-up companies solve problems. Typically these companies were looking for a fresh pair of eyes to revisit their business model, or seeking to solve a specific business challenge. A common learning scenario included Business and IT students looking at new ways in which IT could underpin and strengthen a business model, and tackle existing weaknesses.

The workshops, though well received tended to lack a consistent and rigorous approach to problem solving, relying more on the individual creativity of the students and their ability to ask the right questions. As one student remarked 'I now know what it means when my lecturer tells me that



I have to use my degree to be a problem-solver on graduation!

However, my own experience as a participant on the Coneect experience had shown that there was value in taking a more structured approach and linking different methodologies. Therefore, I developed a workshop that blended design-thinking methodology with the BMC approach. In other words, using the canvas as a consultancy tool combined with design thinking. FRESH was the result.

FRESH is a video teaching resource based on a real-life company. It sets out to replicate a company coming into a curriculum based workshop, or to act as a precursor to students going out to work with a company by providing a FRESH pair of eyes to look at its existing business model.

Accompanying the videos is a set of resources which includes worksheets that allow the students to transform the information sources they have gathered using the BMC into insights, tools to help the students develop potential solutions, and example solutions. They then turn their work into documents and present their solutions as 'Quick Wins', 'High Impact Solutions', and 'Long Term Solutions'.

## Learning Aims and Outcomes

I have now used the 'FRESH' approach in a number of workshop settings to achieve the following learning outcomes:

- Understanding business models.
- Innovating within existing business models.
- Disrupting existing business models.

- Problem solving and understanding how different disciplines can help support and drive a business model, for example, law, marketing, and information technology.
- Creativity and innovation.
- Business acumen.
- The confidence to carry out field research, and approach people for information and feedback.
- Consultancy skills, team work, and the ability to take ownership of ideas.

The 'FRESH' approach has also underpinned the structure of SIE's annual Bootcamps. Over the last few years, the differing needs of students looking to fast track their business ideas have made it difficult to run a programme that suits every learner. Therefore, in 2014, the decision was made to change the format to a programme, allowing students to develop their innovation skills and confidence by working on other people's ideas. They then applied the learning from this exercise to the development of their own ideas. Innovate 14 was born, followed by Innovate 15. Both involved a programme that introduced students to design thinking, the business model canvas, and the merging of the two, providing them with the skills and framework needed to interview real clients with real problems. FRESH has played a key role in preparing the students to meet their real clients and to craft solutions that their clients have implemented and can continue to implement.

The workshop has proved effective in developing an entrepreneurial mindset, both for employability purposes and entrepreneurship in its truest sense.



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Originally, I studied law at the University of Edinburgh and spent several years as a criminal defence lawyer before going back to University to study for an MBA. I then spent over ten years working for the Institute of Chartered Accountants of Scotland developing and running their professional education services, as well as providing input into their overseas work. This work involved setting up new accountancy bodies and training initiatives and was funded by the World Bank and the EU. I am now the Enterprise Programme Director for the Scottish Institute for Enterprise where my team works with the HEIs and FEs in Scotland to help embed enterprise education within the curriculum. We run on average 200 plus

workshops across Scotland throughout the academic year. Complementing this programme is a set of extra curriculum activities including bootcamps, exploration days and various workshops as part of 'SIE Impact'. This new initiative explores complex social problems on behalf of differing stakeholders and asks for students' input into helping to solve them. My particular interests include design thinking, social innovation, future foresight and scenario planning. I recently qualified as a yoga teacher and I am already using aspects of my practice in my entrepreneurial teaching!

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## Resources

To find out more about using 'Design Thinking' and the 'Business Model Canvas' in your teaching please visit the Coneect online compendium.

To get you started you might like to watch Andrea Rosalinde Hofer discuss the concept of Ideation:

<https://youtu.be/S-27lvAenGo?list=PLyXAaocQQ2X-ZAG1-Fza3I5uoDzISjIFO>

If you are interested in finding out more about FRESH please contact Ann on: [a.davidson@sie.ac.uk](mailto:a.davidson@sie.ac.uk) or visit [www.sie.ac.uk](http://www.sie.ac.uk) for more information or sign up for SIE educators news by emailing [info@sie.ac.uk](mailto:info@sie.ac.uk).

In the spirit of co-design, SIE is happy to receive feedback on how to develop the programme further!