

## **Purpose-Driven Business Model Design Methodology**

### Synopsis

The Business Model Canvas (BMC) by Osterwalder and Pigneur is probably the most widely taught business model design tool by business schools, also the most widely used by startup accelerator programs and corporate innovation programs worldwide. While the utility of BMC as a design tool is its explicit focus on how the different parts of a business model work together to achieve financial viability, its major weakness is that other social impact purposes besides this profit purpose are not explicitly integrated into the design tools themselves, resulting in these other purposes being ignored, or as additional factors to be considered after the main business model itself has already been designed. In this presentation, I share an enhanced “double bottom-line” BMC that explicitly incorporates four generic types of social impact purposes in addition to the profit purpose, and illustrate its analytical power with case studies of how actual businesses innovated their business models to achieve specific social impact purposes while maintaining financial viability. I also share how this purpose-driven BMC has been taught to a wide range of participants in Singapore, Hong Kong and China, and the positive feedback received from those participants. Finally, I show how the key elements of this purpose-driven BMC can be mapped to the key metrics of the Business Impact Assessment (BIA) framework that is currently used to quantify and benchmark the social impacts of businesses for B Corp certification.

With increasing interest by entrepreneurs to launch new ventures to make positive social-impact, as well as increasing societal demand on established businesses to balance their profit-seeking goal for shareholders with social responsibility to the wider community of stakeholders, I believe that entrepreneurship educators have a responsibility to explicitly incorporate the achievement of other social purposes than just profit purpose into the design tools they teach to their students. I hope that the Purpose-driven BMC I presented here is a step in that direction.