

MANUAL

ECOnGOOD BUSINESS CANVAS

The tool for founding common good



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Preamble

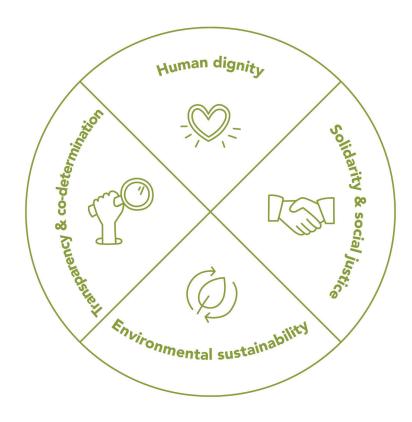
'There is a big difference to the classic Business Model Canvas. The ECOnGOOD Business Canvas puts its focus on the impact which is achieved together with all stakeholders. So it is a perfect fit for impact entrepreneurs.'

Chisom Nwabufo and Marcel Ströhle, Eruisaku Foundation, Bludenz/Ulm, January 2022

Is your company/organization¹ in the start-up phase and do you want to align the process with values right from the beginning? Or do you want to 're-found' an existing organization and re-align it with values of the common good? Then the ECOnGOOD Business Canvas (EBC) will help you being designed as a tool for a common good-oriented start-up strategy.

For the Economy for the Common Good (ECG) the overarching goal for any organization is the good life for all. For us, this includes the following principles:

- Money not as an end, but as a means to an end (= maximising the common good)
- Development of a financially sound organization
- Organic development instead of rapid growth and quick sale
- Cooperation instead of competition
- Agility and entrepreneurship to implement socio-ecological impact
- The ECG values:
 - » Human dignity
 - » Solidarity and social justice
 - » Environmental sustainability
 - » Transparency and co-determination



¹ In the following we use the term 'organization' for companies, start-ups, foundations, initiatives, associations, projects etc.

What is the ECOnGOOD Business Canvas?

The English term 'canvas' stands for a blank canvas. Alexander Osterwalder and Yves Pigneur have introduced this term for their Business Model Canvas (BMC) developed in 2011. This launch fundamentally changed the way organizations work during their start-up phase. Instead of mechanistic business plans, the collaborative, iterative and creative development of a business model based on a pre-structured poster now took its place – at least at a preliminary stage. The focus is on an organization's value proposition to its customers, from which the relations to the market result as well as the necessary elements of product and service creation.

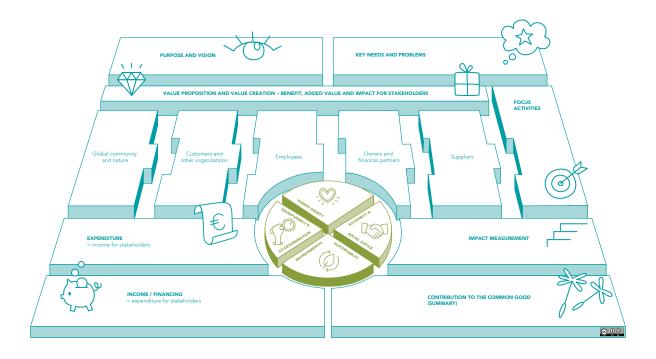
Subsequently, special models and deviations from the BMC were developed to reflect different requirements for start-ups (e.g. Social BMC, Sustainable BMC). All of these models focus on monetary value creation, markets and resources.

The Economy for the Common Good understands entrepreneurial action in the context of purpose, vision, values and the achievement of impact in solving socio-ecological challenges. It regards the network of stakeholders as a cooperation within a business ecosystem and not – as is usually the case in business – as competition to optimize own financial results.

A working group of consultants and speakers from the ECG has developed the ECOnGOOD Business Canvas: a synthesis of the advantages of the BMC approach and the holistic logic of the ECG. It is a stand-alone tool for anyone who wants to set up or realign an organization with a focus on the common good.

The guiding principle is that an organization oriented towards the common good creates value propositions to as many stakeholders as possible and not just to its customers. If these value propositions are consciously designed, a system of successful relationships is formed with the stakeholders that strengthens the resilience of the organization – an important basis for regenerative management and for the holistic success of the company.

With the EBC, you can develop a clear position for your organization on how it can contribute to the common good by implementing the values of the ECG for all stakeholders. You can also work with the EBC if you want to shape an existing organization with these values.



Graphic: ECOnGOOD Business Canvas

How to work with the ECOnGOOD Business Canvas?

Application

With some experience in conceptual teamwork and this manual, you can develop your business model yourself as a team. An EBC poster (A0 format) or an online whiteboard will support you in the process.

The EBC enables you to use new ways of working and combine them with tools from design thinking and business model development. Choosing the right approach for you is essential in order to turn your plans into action. If you need advice or support, contact regional ECG consultants or the EBC-Team. Professional support will help you avoid dead ends, speed up the learning curve and open up many new approaches.

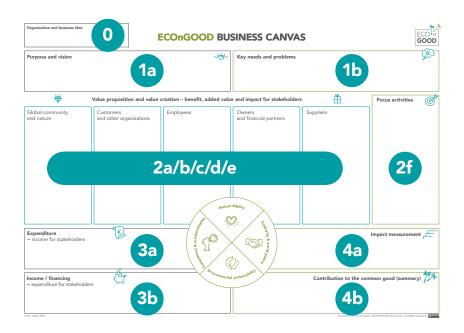
A few more tips:

- The canvas is a model that you can use to structure your ideas. It is important that you only develop one start-up idea per canvas. To avoid getting bogged down, you should always focus on the core aspects. The best strategies are characterized by their simplicity.
- Use different colors to logically separate the respective players or activities.
- Use sticky notes to make changes quickly and clearly. You can use threads or connecting lines to create cross-references and visualize the recursions.
- Take a photo or screenshot after each major change so that you can later follow the development of your organization at different stages during foundation.

Working steps and guiding questions

As far as the procedure is concerned, go from top left to bottom right (see numbering in the diagram below). Use recursions and cross-references to check whether anything changes in other parts of the EBC as you progress. Make sure you differentiate between the roles of the various stakeholders.

In a cooperative, for example, one player can be owner, employee and customer in one person, each with different, sometimes contradictory needs. By regularly changing perspectives, you concretize positioning and communication with the players.



Graphic: Recommended work steps with the ECOnGOOD Business Canvas

Step 0: Organization and business idea

What name will you give your organization? A working title will suffice at first. Formulate the original business idea in a concise sentence. As you progress, you can adapt and concretize them.

Step 1a: Purpose and vision



The EBC starts with purpose and vision. Either you have already formulated and agreed on these for yourselves, or you are now working on them together using suitable tools (vision journey, storytelling, moonshot, etc.). This way, these important anchors are always present during the work and you can sharpen them further in the recursions.

Guiding questions:

- What is the purpose of our organization for us especially with regard to the common good?
- What powerful vision (internally and externally) do we have of ourselves as an organization oriented towards the common good?

Step 1b: Key needs and problems



With the EBC, you put the needs and problems of all stakeholders first and use these to identify the stakeholders that play a key role for you. This does not necessarily have to be the customers. For example, the key need and inspiration for founding the TEIKEI cooperative was not to offer the best coffee on the market, but to offer coffee farmers in Mexico a perspective as suppliers and to show society how coffee can be produced in a thoroughly fair and ecological way. Quote: 'Imagine taking part in building an international Community Supported Agriculture and being part of a living community.'²

What do we mean by stakeholders?

The ECG differentiates the field of impact of organizations into five groups whose players can directly or indirectly influence the organization or by whom the organization is directly or indirectly influenced:

- Global community and nature
- Customers and other organizations
- Employees
- Owners and financial partners
- Suppliers

List the people and organizations in these groups as specifically as possible. Small organizations in particular may have overlapping personnel. Therefore, pay attention to the roles. In the example of the TEIKEI coffee company, customers are often also owners (if they are members of the cooperative) and employees (if they are responsible for unloading and transportation, for example). The 'persona method' can help you with this.

Once you have defined all possible players in the stakeholder groups, select the ones that are important to you. For example, supported by the 'stakeholder analysis'. Identify then specific needs and problems. In this way, elaborate the range of requirements for your organization. Needs often go hand in hand with wishes. Or you can ask the other way around for problems to be solved. For the subsequent selection of the most important key elements for the further process, you can use 'systemic consensus building', for example.

² Source: https://www.teikeicoffee.org/en/project/, August 2024

Guiding questions:

- Which specific people or organizations (sorted according to stakeholders) come to our mind? Which of these are essential for our successful start-up?
- What problems do we solve for these players? Which key needs do we focus on?
- What positive economic, social and ecological conditions do these players want to achieve?

Steps 2a-e: Value proposition and value creation



For all stakeholders, or even better for all players, you now elaborate the value propositions your organization is striving for based on the **ECG values**:

- Human dignity
- Solidarity and social justice
- Environmental sustainability
- Transparency and co-determination

You can think of the circle of values in the canvas as a rotating disc that you can use to compare the collected propositions for completeness and relevance. This value assessment helps you to identify where there are higher-value alternatives for implementation, for which you should then make a conscious decision.

Always explain how the values are created. Describe the benefits, added value and impact as specifically as is necessary to understand it.

As an organization oriented towards the common good, you want to achieve an impact, i.e. not only sell useful products or services, but also initiate behavioral changes towards a good life for all. We differentiate between:

Benefit is what arises when a player from a stakeholder group uses a product or receives a service from you. The intended benefit is usually agreed between you and the player. Example: As a cab company, you benefit your customers by ensuring safe transportation to their destination.

Added value is a characteristic of a product/service that goes beyond the agreed benefit and creates an additional positive effect that motivates you or your stakeholders to work together. Example: You use a pedal-powered electric cab (Twike). Your customers benefit from the added value of ecological transportation and their own activity.

Impact is created when a product/service first causes a change in awareness and then a change in behavior among the stakeholders, in their living environment and/or in society as a whole. Example: Through their own experience of riding in a pedal-powered electric cab, customers advocate for such vehicles in their own company.

Try to formulate a value proposition for each stakeholder or even player – just as you develop a value proposition for customers resp. the market. This proposition is fundamental to building a sustainable relationship and establishing a network. And last but not least: Which of the identified key needs/problems are addressed by your organization? It is possible that key needs remain unanswered or that values are created for which there are no needs. Investigate this. This is how you align your organization precisely in line with the needs. The canvas invites this recursive way of working and thus ensures a stringent result.

But beware! The satisfaction of key needs can lead to conflicting goals. In the case of TEIKEI coffee, for example, it is a key need to communicate actively and personally with the coffee farmers. This can lead to ecologically questionable air traffic between Europe and Mexico. Weigh this up on the basis of your values and choose the path that is more valuable from your perspective. Systemic consensus building is a possible method for this decision process.

Guiding questions:

- What impact do we want to achieve for each stakeholder?
- How do we create benefits and added value for each of our stakeholders through our work for the common good and by implementing the ECG values?
- How do we do this in concrete terms and how do we work together with the specific stakeholders?
- Which of the key needs/problems formulated in step 1b do we address?
- What value propositions can we formulate for our stakeholders/players?

Step 2f: Focus activities



Here you focus on the most important activities at the moment in order to maintain an overview of the many ideas that have been developed. The focus activities always depend on the stage of development of your organization. Review this step on a regular basis and keep focusing on the tasks at hand. Methodologically, you can use a focus matrix³, which you can then transfer to your planning⁴.

Guiding question:

• What are the most important and urgent activities we are currently focusing on – resulting from our value propositions?

Steps 3a and 3b: Expenditure, income and financing

This step is reminiscent of the classic BMC with the comparison of income and expenditure. The EBC broadens the view,

- on the one hand to the holistic consideration of all stakeholders, because the expenditure of one is the income of the other, and this approach promotes solidarity with the stakeholders, and
- on the other hand by asking which of these flows are monetary and which can be services of a different nature.

First, you roughly describe the organization's largest required expenses and also consider the costs of higher- or lower-value alternatives in order to consciously decide on that. Then you consider the expected income and the necessary financing for your organization in the same logic.

As this section is the linking point to the financial business plan, you do not need to go into depth now. You name the large blocks, recognize connections and make an assessment of their development in the first few years. And you consider in advance whether, how and for how long you want to work with underfunding. In the fortunate event of stable surpluses, you consider how you want to deal with this and which development phases you will then face.

Guiding questions on expenses:

- What are our fixed and variable expenditure areas and cost types?
- What are the cornerstones of our common good-oriented cost structure (purchasing guideline, salary guideline, financing guideline, external costs)?

³ Differentiation of activities according to urgency (X-axis) and importance (Y-axis). Source: https://en.wikipedia.org/wiki/Time_management

⁴ For example, todo lists, Kanban boards or OKRs

Guiding questions on income and financing:

- What income is generated from which activities?
- What does our common good-oriented price structure look like?
- What form of financing do we choose and how do we involve our stakeholders?
- What rules do we set ourselves in case we make very good profits? And which ones in case our income does not cover expenses over a long period of time?

Step 4a: Impact measurement



Common good-oriented start-ups aim to create impact with different stakeholders and not just benefits or added value for customers. You have already identified these impacts for each stakeholder/player as value propositions. As with a financial evaluation, you now make these impacts visible and measurable.

In this field, you list all impacts from blocks 2a-e that you can ideally already express in concrete terms and that can be backed up with key performance indicators (KPIs), for example, the reduction of CO_2 emissions or the establishment of new species on your site, etc.

Guiding questions:

- What key indicators do we use to document the desired impacts?
- How should the impacts develop in the near future?
- When, how and by whom will this be measured?

Step 4b: Contribution to the common good (summary)



Now that you have the entire canvas almost completed in front of you, it is time to pause for a moment. Take your time to recapitulate all aspects, check the coherence and draw a conclusion. You can bet it will give you a new perspective on your plans and intentions!

Guiding questions:

- Which contributions to the common good are the most important ones for our organization?
- What were we not aware of, what do we want to intensify?
- What activities do we refrain from for the benefit of the common good?

Good luck!

We hope that your work with the EBC has opened up new perspectives and given you joy. May your projects make a contribution to the common good!

Additional information

- Websites of the Economy for the Common Good
 - » International: https://econgood.org/
 - » StartUps: https://www.econgood.org/start-ups/
- For further information about consultants, please contact consultation@econgood.org

Editing, further development and feedback

This guideline was created by the EBC team. We welcome feedback, suggestions and practical examples. Otherwise you will reach us via email to canvas@econgood.org
Thanks.

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Acknowledgments

We would like to thank our ECG colleagues for their constructive support during the development phase and in the first pilots, especially the Innovation & Startups working group and the ECG consultants who tested the tool intensively in practice and gave us important hints for improvement.

⁵ Find more here: https://creativecommons.org/licenses/by-sa/4.0/deed.en



ECONGOOD BUSINESS CANVAS

Organization and business idea

