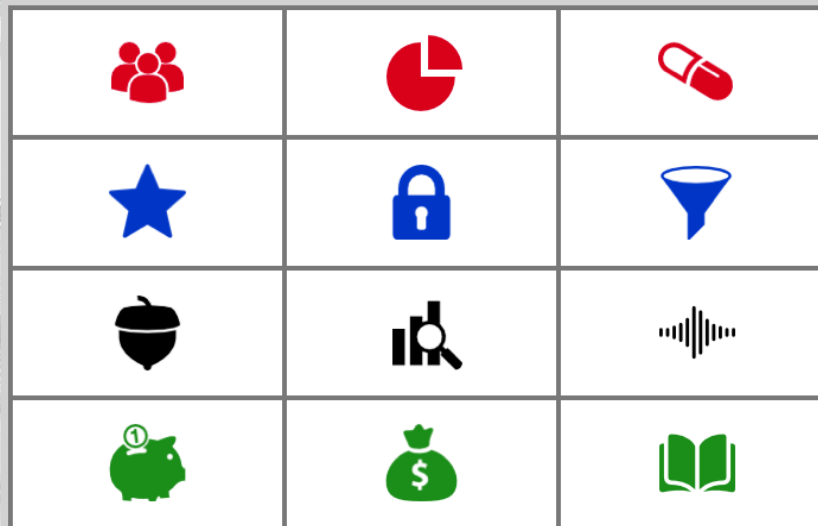


# The Business Model Worksheet (BMW)

The Quick Guide To Drafting A Proven  
Business Model That Wins



# TABLE OF CONTENTS

1. INTRODUCTION
2. STARTING FROM SCRATCH
3. CANVAS CULTURE
4. THE BMW
5. BMW DETAILS
6. ONE-LINE SUMMARIES
7. METRICS
8. BMW OUTCOMES
9. PUTTING IT ALL TOGETHER
10. NEXT STEPS
11. ABOUT THE AUTHOR

# 1: Introduction

Wouldn't it be nice to create your own business and reap the rewards so many others have achieved?

We read and hear about amazing businesses everyday on the news or by word of mouth. So and so made millions dollars with their business, or brand X is the next hot thing in the marketplace. But let's face it, business is not easy. In fact, we know that most businesses fail--and when I say most, I mean over 80% of them.

Who would take that level of risk?

I'm hoping you will if I show you how to minimize your risk and create a business model that is intelligent and strategic at every turn. I call this the Business Model Worksheet (**BMW**). I will guide you through the 12 basic components every business must have to succeed. Essentially, these are 12 "buckets" that businesses have to fill up to be feasible. The BMW is a handy way to chart this.

Once you have started the process of refining these components, you will have the best shot at making a profitable business--sometimes within days!

But it's not only about profit, it's about creating a business that is also meaningful and sustainable. Are you ready to join the ranks of entrepreneurs and self-made business owners? Let's Go!

# 2: Starting From Scratch

Before we get to the J2R BMW, remember that it's just one element of creating a business from scratch. When you start a business, you start a unique process too. There are five steps you should follow:

**RESEARCH:** First do research with the target market you wish to serve. In a brief survey with open-ended questions, unearth some of the pains or problems in the industry. Be curious and try to get some observation time in.

**INTERPRET:** Interpret the data to create your hypothesis. Here is where a business idea or product might come up. Not beginning your company with a preconceived product or solution is ideal.

**RESPOND:** With your best solution to the pains or problems your market outlined, go back into the field and get feedback on it. This is often just a blueprint.

**CREATE:** The creation phase is where your ideas and experiments come together to form an actual product to sell. Create a prototype and test it out. With a refined version, try it out with your audience and validate your idea with pre-sales!

**GROW:** In this phase, you should have several versions of your BMW filled out by now. You begin to see patterns and a clear path to progression. Your next steps should be clear too.

As you can see, starting a business can be a tough process to document. There will be lots of interviews, surveys, data points, charts, research, reports, facts, etc. This is where a good Business Model Canvas or Worksheet comes in. These are a nice one-page quick shot of how your business is moving along.

**Remember, you should have several drafts of your model. They are meant to be updated and reconfigured over time.** In every stage of this process you are adding, taking away, and refining your worksheet. This is why people make big poster-sized versions of the business model where they use sticky notes to change up their entries.

Take note or take a picture of each change—even small changes—so you can reflect on the direction your company is going.

Like an art canvas, you can change things, start over, focus on certain areas, or step back from it to analyze your masterpiece.

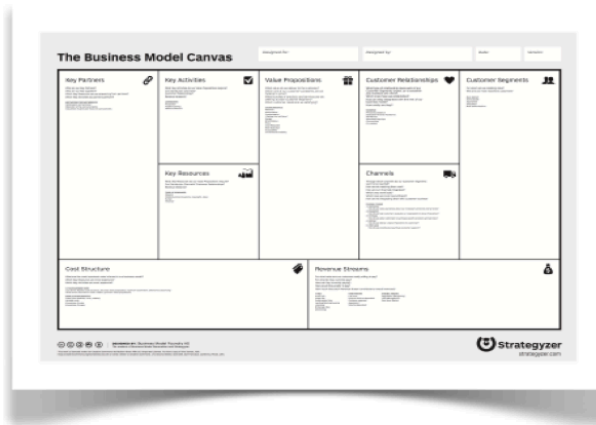


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# 3: Canvas Culture

In the last few years, we've learned that business plans are practically useless when creating a new business. They're often wildly optimistic with their profit forecasts and there are too many assumptions from the out start. Instead, one-page business model worksheets or "canvases" are being used to quickly initiate and plan a business concept.

The invention of the Business Model Canvas has been invaluable for individuals and teams to visualize and analyze businesses today. At its core, it's basically the scientific method applied to building a viable business. With that, several different types of models have been developed. The business model that started a movement was the original *Business Model Canvas* by Alexander Osterwalder (2010). We have found that it's a great tool for more established companies. The *Lean Canvas* by Ash Maurya is the best choice for tech start-up companies (2011). The *Creative Canvas* by Jen Nesbit is your best bet for starting arts, crafts, and design businesses (2014).





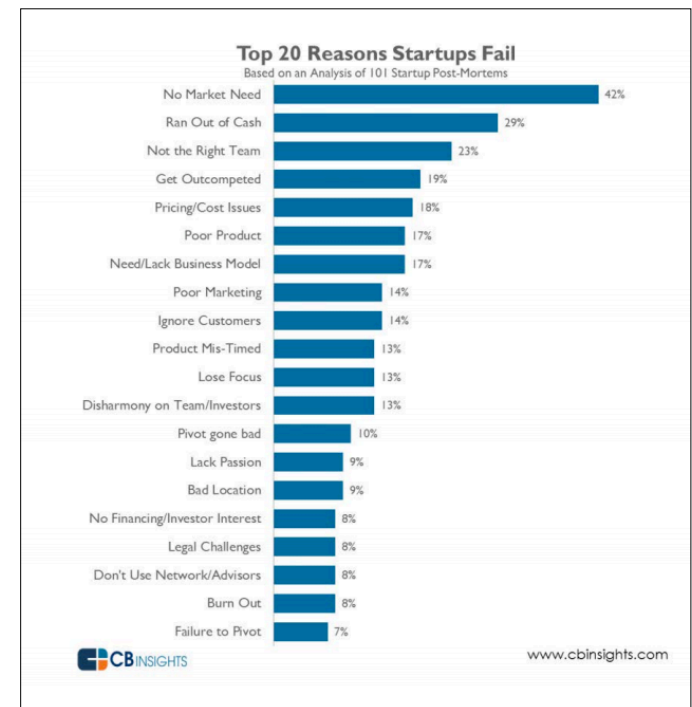
# 4: The BMW

The **Business Model Worksheet (BMW)** is different! First of all, I prefer to call the canvas a worksheet because most people want something easy to carry or digitally share. Poster-sized canvases are a great idea, but for many they were not practical.

The BMW is more general than most canvases, so it will work for any kind of business: startups, micro-businesses, personal brands, and larger companies. And **unlike any model out there, built into it are components to prevent why most businesses fail!**

The problem is, until now business model worksheets only included basic components of a business. In addition to that, it's important that business models include components that address how most businesses fail so they can prevent it from happening!

For example, CB Insights and several other research companies show that it's not the lack of passion or "pivoting" (an overused startup term) that causes startups to fail. It's bigger issues such as having the right solution for product-market fit or a great team.



# The 12 Business Model Components

## The "Bare Bones" Business Model Worksheet (BMW)

Red Row	1. <b>S</b> egment  <b>Target Market</b>	2. <b>S</b> izeable Problem  <b>Size of Market</b>	3. <b>S</b> olution  <b>Pain Reliever</b>
Blue Row	4. <b>U</b> nique Selling Point  <b>Value</b>	5. <b>U</b> nfair Advantage  <b>Secret Sauce</b>	6. <b>U</b> nending Lead Generation  <b>Traffic</b>
Black Row	7. <b>M</b> inimum Viable Product  <b>The One Thing</b>	8. <b>M</b> etrics  <b>Progress</b>	9. <b>M</b> antra  <b>Focus</b>
Green Row	10. Cost <b>S</b> tructure  <b>Expenses</b>	11. Revenue <b>S</b> tructure  <b>Earnings</b>	12. <b>S</b> tory  <b>Connection</b>



# 5: BMW Details

To help recall all 12 components of the worksheet grid, they are grouped in 3's by color-coded rows. (Vertically, they spell the acronym "SUMS".) Each component is numbered in the order that you should do them.

**RED:** Components in the red row all begin with the letter "S" and they're critical. If you don't get these three right first, nothing else will matter.

**BLUE:** Components in the blue row all begin with the letter "U". The focus is on the positioning of your product and company. These components are crucial to getting and keeping your edge in the marketplace.

**BLACK:** Components in the black row all begin with the letter "M". Satisfying these components give your company focus and clarity.

**GREEN:** Components in the green row all have a key word that begins with the letter "S" again. These are the components that must add up to progression in your business--financially and visually. Investors like to see that hockey stick formation on profit growth charts: that's the goal here too. The odd man out here is "Story" because hopefully your business is more than just making money. This whole process is a journey and story ties it all together.

# Red Row

**RED:** Components in the red row all begin with the letter "**S**" and they are critical. If you don't get these three right first, nothing else will matter.





## 1. Segment [Target Market]

Start your worksheet by deciding on what industry you want to be in first. This is aligned with your interests, purpose, and passion. This will point you toward general customers you'll have to reduce to specific segments. These segments, or tribes, are people you want to solve problems for. Make sure this segment is a good size and has plenty of money to spend.

Example: Women Lacrosse Players, Ages 15-25, HS-College educated, \$60-110k household income, single, no kids, based in the USA.

Take Action: Research, Analysis, & Answer

- What profitable and underserved segments will you be serving?
- Can you niche down deeper so it's not too broad?



## 2. Sizable Problem [Size Of Market]

Scratch a big itch, not a little itch. Interview people to discover your customers and their biggest unsolved problems. Customers often point to the problem, sometimes no product idea is necessary. You want to solve a big problem they will pay to alleviate. Make sure the TAM (Total Addressable Market) is large enough to make good money and possibly scale. Use Google, industry organization figures, government data, and sites like [Statista](#) or [Ibis World](#) to get started with TAM.

Example: Teams sometimes have the problem of getting the most out of practices as a team. What if they can use technology to enhance their performance through data and drilling?

Women's Sports is a \$70B market, with an equipment sales over \$200M.

Take Action: Research, Analysis, & Answer

- What is the main problem your segment has?
- Approximately how many people in your niche have the problem you're trying to solve?
- What is your Total Addressable Market (TAM) worth in dollars?



### 3. Solution [Pain Reliever]

Solutions are a combination of what you've learned from customers and your ideas: in that exact order. Provide a unique and effective solution set to the customer's problem. Consider if this solution is easier, cheaper, cooler, or quicker than the competition.

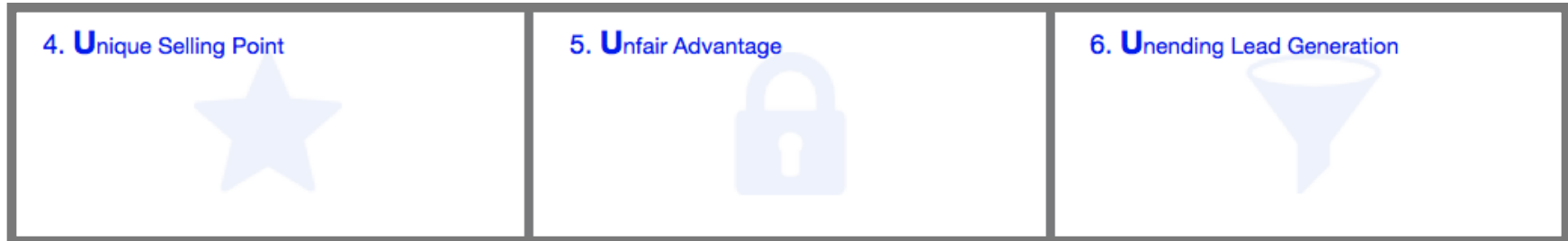
Example: The three features are: 1. Digital Planner and Lacrosse Drills App. 2. Custom coach-assigned drills for each player to practice. 3. Also keeps team and player stats.

Take Action: Research, Analyze, and Answer

- What are the top 3 pains of your ideal customer and top 3 solutions you provide?
- What is the #1 feature and benefit?

# Blue Row

**BLUE:** Components in the blue row all begin with the letter "U". The focus is on the positioning of your product and company. These components are crucial to getting and keeping your edge in the marketplace.





## 4. **U**nique Selling Point [Value]

This is what makes your product or service more valuable and different than the competition.

Example: App and Online-based software that can be accessed anywhere. Focus for each player and grouping. Mastery-based approach with gamification features.

Take Action: Research, Analyze, and Answer

- Why would a customer choose your solution others?





## 5. Unfair Advantage [Secret Sauce]

This protects you from copycats and it's a feature that helps you do things incredibly well. UA's include specialized knowledge, money, influential networks, technology, patents, skill sets, degrees, platform, etc.

Example: The founder is a coder and has 10 years experience making software. She/He is also an organizer of several start-up competitions.

Take Action: Research, Analyze, and Answer

- What vital resources do you bring to the table that makes this business hard to replicate?
- Why are you the perfect person/team to do the job?



## 6. Unending Lead Generation [Traffic]

Failure to get a steady stream of new prospects into the sales funnel is one of the leading causes of business failure. You need your target demographic to notice you and begin the sales process. What incentives or ethical persuasion tactics could you include?

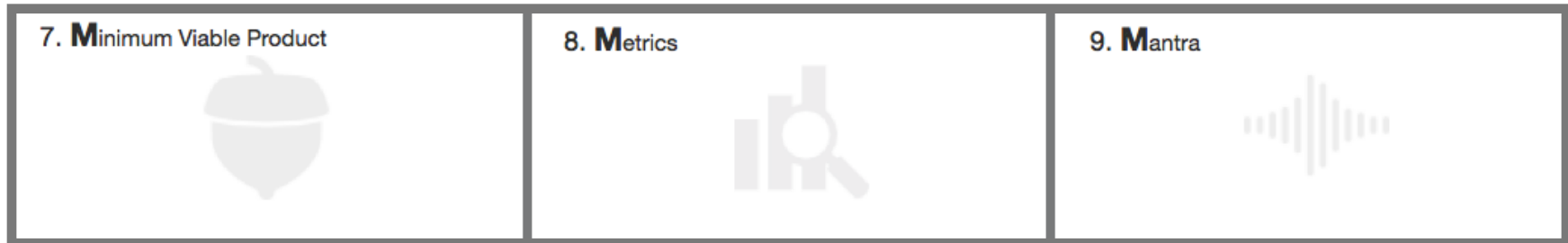
Example: Free practice and school planner for athletes and coaches (email sign-up). Planner is a PDF and can be custom branded for your team (upload logo). Introduce gear and high-value sports tips in weekly newsletter.

Take Action: Research, Analyze, and Answer

- What does your high-volume, high-quality customer lead generation system look like?
- How do you market to your ideal customers?

# Black Row

**BLACK:** Components in the black row all begin with the letter "**M**". Satisfying these components give your company focus and clarity.





## 7. **Minimum Viable Product** [The One Thing]

MVPs keep your company from burning through money and time. It serves as a good solution in the first stages of product development. More advanced or extra features come after you've validated and refined your MVP.

Example: Once entered, all data must sync for all to access. Customizable drills sets.

Take Action: Research, Analyze, and Answer

- What is the one thing your product or service must do right and very well?
- Does your MVP solve the major problem of the customer?



## 8. Metrics [Progress]

Key metrics are the performance categories you should be focusing on the most. This could be sales, downloads, space usage, sign-ups, speed, customer satisfaction, etc. Pick 3-5 and just focus on those until the company takes shape. You can easily monitor these levels, so you can attend to anything that might go wrong.

Example: Page Views, Team Sign-Ups, Usage Time, Upgrades

Take Action: Research, Analyze, and Answer

- What are the most important activities you should be measuring right now?
- What are good levels and bad levels?
- What are the top 5 things you should be doing that will generate the greatest targeted results?



## 9. **Mantra** [Focus]

Your brand mantra is derived from and the essence of your Purpose, Value, Mission, and Vision. Dwindle these five descriptions into one sentence or one word each. Combine the best parts of the aforementioned components to create your brand mantra in one word or phrase. This will help with branding and keep your daily focus. Put this mantra up in a place where you will see it every day. Say it often and use it in your marketing copy.

Example:

*Purpose:* To help people enjoy sport more.

*Mission:* To help athletes win and communicate through data and mobile tech.

*Vision:* To be the top mobile app and software company for team sports.

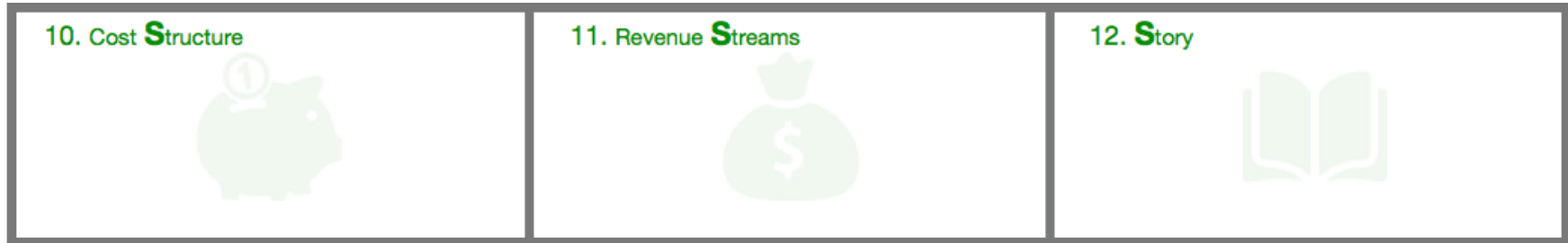
MANTRA: "Insightful Data For Winners"

Take Action: Research, Analyze, and Answer

- What is one word or phrase that completely captures the spirit and essence of this company?

# Green Row

**GREEN:** Components in the green row all have a key word that begins with the letter "**S**" again. These are the components that must add up to the hockey stick progression in your business--financially and visually. This whole process is a story that ties it all together.







## 10. Cost Structure [Expenses]

Cost Structure accounts for all your expenditures. What does it cost to run your company? It may include raw goods, employee salaries, equipment, rent, electricity, water, heat, marketing, Internet, servers, software, permits, business fees, attorney fees, patent fees, taxes, etc.

Example: Servers, Hosting, Coders, Designers, Studio, Marketing, LLC, Technology Fees.

Take Action: Research, Analyze, and Answer

- What are the basic itemized costs for your business?
- What expenses should you keep a close watch on?
- What does one unit cost?



## 11. Revenue Streams [Earnings]

Each distinct way your company makes money is a revenue stream. Selling products is one collective stream. Other streams might include non-product items like consulting services, repair services, advertising space, or affiliate offerings.

Example: App Upgrade option for a full suite of options (community chat, messaging, group assignment drills, video uploads, custom dashboard, branded team site).

Take Action: Research, Analyze, and Answer

- Where does the bulk of your revenue come from?
- Are other streams of revenue feasible at this time?



## 12. Story [Connection]

There are several key stories that you'll need to work on over time. They are your Customer Story, Brand Story, Personal Story, Product Story, Company Vision Story, Sustainability Story, and Data Story. But don't worry about that yet. First, focus on a concise Customer Story to nail the problem and solution. You will use this to communicate your company to others. What matters most in the beginning are stories that communicate the Triple-Bottom Line: a win for the customer (solutions), the company (profit), and society (social equity).

Your Story and Mantra components take the longest to complete, so do what you can and move on. Lastly, in a *meta* sense, the several versions of your worksheet you modify over time will tell a story as well.

Example: (Customer Story) "This company was started to help athletes achieve greater results and enhance the game. It began when I coached soccer and saw so many players struggle with . . ."

Take Action: Research, Analyze, and Answer

- What story do you tell customers to connect with them?
- What's your best customer story?
- What is the story of this company so far?
- What's your brand story?

# 6: ONE-LINE SUMMARIES

**Instructions:** Use the answers from your completed BMW to fill in the blanks below. This will help you quickly and accurately communicate your business to others.

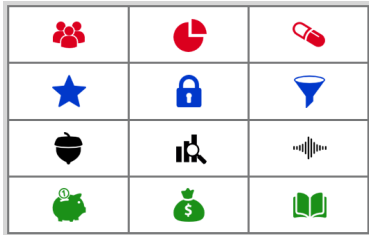
1. My company specifically serves the \_\_\_\_\_ market.
2. The lucrative problem I solve is \_\_\_\_\_, and this is a \$\_\_\_\_\_ billion market.
3. I solve my customer's biggest problem by \_\_\_\_\_.
4. What makes my product unique is \_\_\_\_\_.
5. The unfair advantage my company has is \_\_\_\_\_.
6. I fill my sales pipeline effectively by \_\_\_\_\_.
7. The one thing my company does best and relies upon is \_\_\_\_\_.
8. Specifically, the top 5 things I must do to make money are \_\_\_\_\_.
9. In three words or less, the spirit of my company's focus is \_\_\_\_\_.
10. It costs \$\_\_\_\_\_ to make my main product that sells for \$\_\_\_\_\_.
11. My most profitable revenue stream is \_\_\_\_\_.
12. The story of my company is summed up as \_\_\_\_\_.

# ONE-LINE SUMMARIES EXAMPLE

## Life Coach For Women

1. **My company specifically serves the** *online life coaching for new moms* **21-41** market.
2. **The lucrative problem I solve is** *creating abundance for women and this is a* **\$3B** market.
3. **I solve my customer's biggest problem by** *helping them get unstuck.*
4. **What makes my product unique is** *it's a completely original and a proven system.*
5. **The unfair advantage my company has is** *I've got a master's degree in psychology.*
6. **I fill my sales pipeline effectively by** *guest posting and sending visitors to my squeeze page.*
7. **The one thing my company does best and relies upon is** *getting people great results.*
8. **Specifically, the top 5 things I must do to make money are** *write 2 articles a week, network on 5 forums, offer free consults, market on Facebook, and create 1 Joint Venture event a month.*
9. **In three words or less, the spirit of my company's focus is** *[to] authentically connect.*
10. **It costs \$30 to make my main product that sells for \$200.** *[an online course]*
11. **My most profitable revenue stream is** *my limited 6-month coaching package.*
12. **The story of my company is summed up as** *I had it all, lost it all, and figured out how to double my happiness and revenue in less than one year.*

# 7: METRICS



There are no easy metrics or formulas for business success. All we have is planning (BMW), execution, and feedback to rely on. As mentioned earlier, the first three business components must be fulfilled or the rest of the components are likely to fail. However, to what degree must each component be satisfied? What are the metrics? That is open to your advisory team to decide.

On a basic level, you can create a five-point scale and grade each component. You may decide to prioritize what needs to be done with components 4-12 by their scores. However, just because this business model was put in a logical sequence, doesn't mean that each component has to be operating at 100% before you move on to the next one. For example, you can't ignore the cost structure just because it's near the end of the model.

My advice is this:

1. After you've nailed the first three components, sequentially work on fulfilling the next nine components, and come back to them to make them stronger. Keep experimenting, running tests, and making adjustments.
2. Do a comprehensive competitive analysis. Fill out a BMW for the top 3-5 companies in your niche. What components are they really good at? There's your "five" score for that component.
3. Compare all your scores with your competition. No business model needs to be perfect: each business has its own strengths. Sacrifices will be made, because you can't be good at everything or every component. But let the data, advisory, and customer feedback help you make better business decisions.

# SAMPLE METRICS DASHBOARD

<b>BUSINESS MODEL WORKSHEET</b>			Date _____
created by <a href="http://www.ArliePeyton.com">www.ArliePeyton.com</a>			Worksheet # _____
Company _____ Industry _____			☆☆☆☆☆
<b>Instructions:</b> This is a fillable form: just click in each box or line and start typing. Or, you can print this form and hand-write your answers. Answer all the questions.			
<b>1. Segment</b> <b>Target Market</b> _____	<b>2. Sizeable Problem</b> <b>Size of Market</b> _____	<b>3. Solution</b> <b>Pain Reliever</b> _____	
<b>4. Unique Selling Point</b> <b>Value</b> _____	<b>5. Unfair Advantage</b> <b>Secret Sauce</b> _____	<b>6. Unending Lead Generation</b> <b>Traffic</b> _____	
<b>7. Minimum Viable Product</b> <b>The One Thing</b> _____	<b>8. Metrics</b> <b>Progress</b> _____	<b>9. Mantra</b> <b>Focus</b> _____	
<b>10. Cost Structure</b> <b>Expenses</b> _____	<b>11. Revenue Streams</b> <b>Earnings</b> _____	<b>12. Story</b> <b>Connection</b> _____	

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# 8: BMW Outcomes

Business Model Worksheets can tell the story of a company, usually by trends. These trends point to progression, regression, or failure. In business, the big and little things move us toward that moment of truth: Is this a good or bad business?

Quite simply, there are three major outcomes for each tested worksheet. Taking in all 12 of your business components, you must decide whether to: 1) Iterate, 2) Pivot, or 3) Quit.

**Iterations** are small changes to your worksheet (like a tiny product adjustment).

**Pivots** are big changes that will affect the entire business (like discovering that you should focus on women customers instead of men). A Pivot is like a major turning point in a story: the hero might be compelled to move in different direction to keep progressing.

**Quitting** is what you do if you've gone through several Iterations and a few big Pivots--and you still can't get traction. Quitting isn't always bad; it can be a time to try something new. Businesses who fail to quit after several efforts to iterate or pivot end up wasting lots of money they'll never recover.

**Since businesses are often unpredictable, all three outcomes are expected to happen, even for the most experienced entrepreneur.** In every outcome, there is always something to learn.

# 9: Putting It All Together

Most businesses fail, so we need a better process to build them. Use the BMW!

- To create a business from scratch, there are five distinct phases: *Research, Interpret, Respond, Create, and Grow*.
- Starting a company begins with creating a Business Model Worksheet (BMW), not a lengthy business plan. The *art* is learning, the *science* is using the scientific method.
- BMWs are a series of one-page documents that change over time. Individual components and whole worksheets are meant to be revised and edited as feedback and data are discovered through testing.
- Some business model canvases are best suited for specific types of companies. The BMW addresses all types of businesses.
- There are basically 12 components to the BMW that must be followed in an exact sequence. Components can be in the process of fulfillment concurrently.
- Most business canvases don't address why businesses fail. The BMW does.
- Companies and BMWs can either Iterate, Pivot, or Quit.
- Businesses are like stories: they have all the elements of a heroic journey that could end in triumph or failure.

# 10: Next Steps

Each one of us has the potential to create remarkable value that is good for society and worth paying for. It's up to you to discover and create solutions for people: that's how you create a profitable business. It is my hope that you now have the tools to begin this journey.

## **If you liked what you read, here's what I want you to do next:**

- Download your FREE digital BMW to print or fill out (fillable pdf) [here](#).
- Send me an email at [peyton@arliepeyton.com](mailto:peyton@arliepeyton.com). Tell me what you're struggling with the most. I'm here to help!
- Think of two other people who would really benefit from this ebook and share it with them.
- Each of the 12 components of this worksheet can be a textbook and course in itself. Filling out the worksheet can be daunting for some. I provide personal business coaching for small businesses and personal brands at [arliepeyton.com](http://arliepeyton.com).

## **Get started today!**

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





## BUSINESS MODEL WORKSHEET


created by [www.ArliePeyton.com](http://www.ArliePeyton.com)

Company \_\_\_\_\_ Industry \_\_\_\_\_

Date \_\_\_\_\_  
Worksheet # \_\_\_\_\_  
☆☆☆☆☆

**Instructions:** This is a fillable form: just click in each box or line and start typing. Or, you can print this form and hand-write your answers. Answer all the questions.

<b>1. Segment</b> [Target Market]  What profitable and underserved market segments will you be serving? Can you niche down deeper so it's not too broad?	<b>2. Sizeable Problem</b> [Size of Market]  What is the main problem your segment has? Approximately how many people in your niche have the problem you're trying to solve? What is your Total Addressable Market (TAM) worth in dollars?	<b>3. Solution</b> [Pain Reliever]  What are the top 3 pains of your ideal customer and top 3 solutions you provide? What is the #1 feature and benefit?
<b>4. Unique Selling Point</b> [Value]  Why would a customer choose your solution over others?	<b>5. Unfair Advantage</b> [Secret Sauce]  What vital resources do you bring to the table that makes this business hard to replicate? Why are you the perfect person/team to do the job?	<b>6. Unending Lead Generation</b> [Traffic]  What does your high-volume, high-quality customer lead generation system look like? How do you market to your ideal customers?
<b>7. Minimum Viable Product</b> [The One Thing]  What is the one thing your product or service must do right and do very well? Does your MVP solve the major problem of the customer?	<b>8. Metrics</b> [Progress]  What are the top 5 things you should be doing that will generate the greatest targeted results? What level must you maintain with each?	<b>9. Mantra</b> [Focus]  What is one word or phrase that completely captures the spirit and essence of this company?
<b>10. Cost Structure</b> [Expenses]  What are the basic itemized costs for your business? What expenses should you keep a close watch on? What does one unit cost?	<b>11. Revenue Streams</b> [Earnings]  Where does the bulk of your revenue come from? Are other streams of revenue feasible at this time?	<b>12. Story</b> [Connection]  What story do you tell customers to connect with them? What's your best customer story? What is the story of this company so far? What's your brand story?

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# 11. About The Author

## Improve Your Mission, Business, & Life

**Arlie Peyton** (who just goes by Peyton) is a digital marketer, business educator, and coach who loves to help people obtain greater focus and fulfillment in their lives through story. He has worked with private clients and global brands. Peyton is based in Portland, Oregon—a magical and mysterious city enveloped by a Douglas Fir rainforest.

*"I've learned that the best work is a meaningful adventure. I find meaning in helping others get to the next level in their business and life."*



As Seen In



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