

# Canvas

Learn to use the key tool for describing and analyzing organizational and personal business models.

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## CHAPTER 1

# Business Model Thinking: Adapting to a Changing World

## Why Business Model Thinking Is the Best Way For You to Adapt to a Changing World

Let's take a wild guess:  
You're reading this book because you've given some thought to changing your career.

You're in good company. According to one survey, five out of six adults in North America are considering changing jobs.<sup>2</sup> And according to our Forum members (who represent 43 countries), it's like this across the globe.

Many of us, though, lack a structured way to think about the complex and — let's face it — messy subject of switching careers. We need a simple, powerful approach — one in tune with the modern workscape and our personal needs.

Enter the business model: an excellent framework by which to describe, analyze, and reinvent a career.

No doubt you've heard the term *business model* before. What is it, exactly?

At the most basic economic level, a business model is **the logic by which an organization sustains itself financially**.<sup>3</sup>

As the term suggests, it ordinarily describes businesses. Our approach, however, asks you to consider *yourself* a one-person business. Then, it helps you define and modify your “personal business model” — the way you engage your strengths and talents to grow personally and professionally.

### **Changing Times, Changing Business Models**

Much of today's job market turbulence is driven by factors beyond our personal control: recession, sweeping demographic changes, intensifying global competition, environmental issues, and so forth.

These changes are also beyond the control of most enterprises — but they profoundly affect the business models that companies use.

Because they can't change the *environment* they operate in, companies must change their *business models* (and sometimes create new ones) in order to remain competitive.

As it turns out, these new business models themselves disrupt and cause change. That creates new opportunities for some workers and unemployment for others.

Consider some examples.

Remember Blockbuster Video? It declared bankruptcy after Netflix and Redbox showed they could do a better job delivering movies and games to Customers through mail, the Internet, and vending machines.

The emergence of a new business model can affect companies in other industries, as well.

For instance, Netflix has more than 20 million customers who, thanks to the Internet, can watch television programs on computers or game consoles at any time of day or night — while skipping the advertisements. Imagine what this means for a television broadcasting industry funded by advertisers who buy time slots on the decades-old premises that: (1) ads will be embedded in programming broadcast to huge audiences at certain days and times, and (2) television-viewing audiences cannot filter out ads.

The Internet has also transformed business models in other sectors, such as music, advertising, retail, and publishing (without the Internet, this book would have been impossible to produce).

Executive recruiting firms, for example, traditionally depended on highly skilled, full-time employees who made hundreds of phone calls each week and

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New business models are altering workplaces everywhere, in for-profit and nonprofit sectors alike. Enterprises must constantly evaluate and change their business models to survive.

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flew cross-country to meet prospective recruits for lunch. Today the recruiting industry is dramatically different; in many cases, part-time workers, who scour Web sites from home, have replaced full-time employees.

### People Must Change, Too

We're not claiming that people are the same as companies. But here's an important parallel: You, like many companies, are affected by environmental and economic factors beyond your control.

That being the case, how can you maintain success and satisfaction? You must identify how you operate — and then adapt your approach to fit changing environments.

The skills you'll learn from *Business Model You* — how to describe and think clearly about business models — will give you the power to do that.

Being able to **understand and describe your organization's business model** helps you understand how your organization can succeed, especially in turbulent economic times. Employees who care about the success of the enterprise as a whole (and know how to achieve it) are the most valuable workers — and candidates for better positions.

Once you see how a business model applies to where you work now — and where you fit within that model — you'll be able to **use the same powerful way of thinking to define, sharpen, and grow your own career**. Starting in Chapter 3, you'll define *your* personal business model. And as your career progresses, you'll be able to use *Business Model You* strategies to adjust your model and adapt to changing times.

Reading *Business Model You* will give you **a distinct advantage**, because while many workers define and document organizational business *practices*, few formally define or document organizational business *models*. Even fewer individuals apply the power of business model thinking to their own careers.