Lean Canvas

The concept of 'lean' describes the use of methods by an organisation to bring products or services to market in a manner that avoids waste. With regard to innovation, this means that the sooner the organisation learn and act on the knowledge they have acquired, the smaller the 'waste'. To incorporate lean into innovation practices, the lean canvas is used to brainstorm potential business models that reduce or eliminate waste to the greatest extent. An example of its structure is depicted below.

Problem	Solution	Unique value proposition	Unfair advantage	Consumer segments
	Key metrics		Channels	
Cost structure			Revenue streams	

Using the 'Lean Canvas'

Step 1: Upon determining a 'problem', a possible solution, and potential customers; customer segments are identified. A separate lean canvas is used for each customer segment. These steps detail the process that must be carried out separately for each of the identified segments.

Step 2: The customer segment is refined. The problems that segment wants to be solved are described and alternative solutions to these problems are identified.

Step 3: A unique value proposition is articulated. This describes the essence of the new offering; how it different from other solutions; the problem that it solves; states customer benefits; answers 'who', 'what', and 'why' questions; and targets early adopters.

Step 4: The most appropriate channels through which to reach customers are identified, built, and tested.

Step 5: Next, pricing is decided. There are a variety of options available to organisations that include free trials or freemium models, so one that is likely to result in breaking-even or sustainable market success, appropriate to the organisation, must be chosen.

Step 6: Key metrics that drive the usage of the product or service are defined.

Step 7: Elements of the product or service that make it difficult to imitate are identified.

Step 8: The approach, represented by the lean canvas, with the greatest potential for success with its customer segment is selected and implemented.