How will we capture value from the partnership?
How will we capture value from the partnership?

Pre-requisite tools:
- Capability Match
- Value Chain Map

Next tools:
- Governance Charter
- Balance Sheet
Partnership Canvas

How will we capture value from the partnership?

Partners need to understand how the collaboration will affect their business model and how it will generate value for their own organization. It is equally important for each partner to be transparent about its understanding and expectations of how its organization will generate value from the partnership. This tool enables partners to clarify these expectations and define the partnership activities that will result in value creation for both partners.

Why should we use it?

To establish how the partnership will generate value for each partner.

What will we accomplish?

Gain deep understanding of our respective business models and priorities

Agree on what each partner will contribute to and gain from the partnership

Assess how the partnership activities will affect our respective business models

Step-By-Step

Step 1: Share business models and priorities

Step 2: Define partnership activities

Step 3: Evaluate implications on business models

Tool source: Adapted from the Partnership Canvas
Step 1:

Share business models and priorities

1.1 Individually fill in your Business Model Canvas (developed by Alex Osterwalder of Strategizer), then come together and share it with your partner.

For non-business organizations like NGOs or government units, you can still use the Business Model Canvas (BMC) to describe your organisation’s revenue and operational model. For a deeper understanding of how the BMC can apply to NGOs and other non-business entities, use the adapted BMC developed by Bryann Alexandros & Skylance.

1.2 Discuss the following questions to identify and share your priorities:

- What are your most pressing organizational priorities?
- How do your priorities relate to your motivations for partnership?
**Example**

### Solar Freeze

**Partner 1**
**Expressions Global**: supplies affordable piped water for irrigation to rural smallholder farmers in Kenya.

**Partner 2**
**Solar Freeze**: Provides renewable energy-powered mobile cold storage units to rural smallholder farmers in Kenya.

**Key Partners**
- Organizations with access to farmer groups
- Building traders relationships
- Key Resources
- Solar powered Cold Rooms technology
- Land to build cold rooms
- **Cost Structure**
- Building Costs
- Operational expenses (salaries, marketing, training)

**Value Proposition**
- PHM Training & Marketing
- Storage unit installation & management
- **Channels**
- Solar-powered collection centers close to farms
- **Customer Segments**
- Export & Local fresh produce traders
- Small scale farmers
- **Revenue Streams**
- Cold Space rental (10 sh/day/crate)

**Key Activities**
- PHM Training & Marketing
- Storage unit installation & management
- **Customer Relationship**
- Farmer associations
- Traders organizations
- **Priority:** Access more farmers in need of cold storage
**Expressions Global**

**Key Partners**
- Local community (landowners)
- Local Government
- Agri-dealers & extension agents trainers
- Local Micro Finance institutions

**Key Activities**
- GAP Training & Marketing
- Building Dams
- Price negotiation
- Water pumping & billing
- Water piping & billing systems
- Construction machinery
- Land Lease

**Value Proposition**
- Linkage to reliable produce supply
- Supply of affordable & reliable water for irrigation

**Priority:** Increase the volume and quality of supply, to attract to export traders

**Customer Relationship**
- Gap Training
- Linkage to credit
- Local self-help groups

**Customer Segments**
- Local Fresh produce traders
- Small scale farmers

**Key Resources**
- Water piping & billing systems
- Construction machinery
- Land Lease

**Key Partners**
- Local community (landowners)
- Local Government
- Agri-dealers & extension agents trainers
- Local Micro Finance institutions

**Customer Relationship**
- Gap Training
- Linkage to credit
- Local self-help groups

**Channels**
- Small scale farmers

**Customer Segments**
- Local Fresh produce traders

**Cost Structure**
- Dam construction costs
- Operational expenses (salaries, marketing)

**Revenue Streams**
- % commission on traded produce (30% of revenues)
- Water bills (70% of revenues)
## Business Model Canvas

<table>
<thead>
<tr>
<th>Key Partners</th>
<th>Key Activities</th>
<th>Value Proposition</th>
<th>Customer Relationship</th>
<th>Customer segments</th>
</tr>
</thead>
<tbody>
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<table>
<thead>
<tr>
<th>Key Resources</th>
<th>Channels</th>
<th>Cost Structure</th>
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<tbody>
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</table>
Define partnership activities

2.1 Individually, fill in the Partnership Canvas from the perspective of your organization:

- **Created Value**: What value do you need to create for your organization? This value should correlate to one of your priority areas.

- **Desired Asset**: What capabilities or resources do you need from your partner?

- **Offered Asset**: What capabilities or resources can you offer your partner in exchange?

- **Transfer Activity**: What activities are needed for the partners to transfer the desired assets to each other? The transfer activities should logically lead to the new value created.

2.2 Together, compare canvases, connect, complete and discuss the following questions:

- Is there a match between what is desired by each partner versus what each partner is willing to offer?

- Is there alignment on the value exchange activities?

- Are these one-off or limited time exchange activities, or are they recurring?

- Does the partnership create important value for each partner?
Worksheet 1:

Partnership Canvas

- Created Value
- Transfer Activity
- Desired Asset
- Offered Asset
Example

**Partnership Canvas**

- **Access to export market (better prices)**
- **Design and deliver joint training**
- **Amend land lease agreement**
- **Staff for cold storage security (landowners)**
- **Access to land for storage unit**
- **Cold storage units in proximity**
- **Expertise in PHM**
- **Relationships to export traders**
- **Design joint farmer training**
- **Access to Farmers**
- **Increase in sales (more units)**

**Partner 1**
- **Expressions Global**: supplies affordable piped water for irrigation to rural smallholder farmers in Kenya.

**Partner 2**
- **Solar Freeze**: Provides renewable energy-powered mobile cold storage units to rural smallholder farmers in Kenya.

[Read more here](#) about the tool application to this case.
Step 3:

Evaluate implications on business models

3.1 To understand how the partnership activities will affect your respective organizations, go back to your respective BMCs and attempt to integrate the agreed upon exchange activities and the newly captured value. Make a note of any questions that you need to clarify with your partner.

3.2 Reflect individually on the implications of these new elements on your organization’s BMC.

- **Value check**: How will the value created and accessed assets affect your organization’s value proposition and revenue model? (right side of the BMC)

- **Cost check**: How will the exchange activities affect your organization’s activities, resources and cost structures? (left side of the BMC)

3.3 Share and discuss these implications together. Document what each partner needs to do to build their capacity in order to engage in the partnership.
**Example**

**Solar Freeze**

<table>
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<tr>
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<th>Customer Relationship</th>
<th>Customer Segments</th>
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<tbody>
<tr>
<td><strong>Joint Training</strong></td>
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<tr>
<td>PHM Training &amp; Marketing</td>
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<tr>
<td>Building traders relationships</td>
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<tr>
<td>Storage unit installation &amp; management</td>
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<tr>
<td><strong>Value Proposition</strong></td>
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<tr>
<td>Cold Storage for rent</td>
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<tr>
<td><strong>Customer Relationship</strong></td>
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<td>Farmer associations</td>
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<tr>
<td>Small scale farmers</td>
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**Key Resources**
- Solar powered Cold Rooms technology
- Land to build cold rooms

**Key Activities**
- PHM Training & Marketing
- Building traders relationships
- Storage unit installation & management
- Cold Storage for rent
- Solar-powered collection centers close to farms

**Channels**
- Solar-powered collection centers close to farms

**Cost Structure**
- Building costs
- Operational expenses (salaries, marketing, training)

**Revenue Streams**
- Cold Space rental (10 sh/day/crate)

**Increased revenues**
What minimum occupation rates?

**Access to land and staff**
How much land? Security? Staffing needs?

**Access to farmers**
How many? How many units? Where to locate them?
### Expressions Global

**Key Partners**
- Local community (landowners)
- Local Government
- Agridealers & extension agents
- Local microfinance institutions

**Key Activities**
- GAP Training
- Building Dams
- Water pumping & billing

**Value Proposition**
- Linkage to reliable produce supply
- Supply of affordable & reliable water for irrigation

**Customer Relationship**
- GAP Training
- Linkage to credit

**Customer Segments**
- Local Fresh produce traders
- Export traders

**Cost Structure**
- Dam construction costs
- Operational expenses (salaries, marketing)

**Revenue Streams**
- % commission on traded produce (30% of revenues)
- Water bills (70% of revenues)

**Linkage to GAP**
- Training & Marketing

**Land lease amendment**
- How will it affect present lease?
- What will the landowner require in exchange?

**Cold storage close to farms**
- Where to locate it?

**Access to export markets**
- How much of an increase in prices?

**Joint Training**
- Who will deliver it?
- Will it cost anything extra?

**Local self-help groups**

**Local Fresh produce traders**
- Where to find them?
- What crops?
- Quality?
- Volumes?

**Small scale farmers**

**Export traders**
- Where to locate it?

**Joint Training**
- Who will deliver it?
- Will it cost anything extra?

**Local community (landowners)**

**Local Government**

**Agridealers & extension agents**

**Local microfinance institutions**

**Increased revenues**
- What increase in prices?
- In productivity?
- In water bills?
Facilitation tips

Step 1
Individual brainstorming + Sharing

- This tool is designed to be used by only two partners. In the case of partnerships involving more partners, consider using it in pairs of partners from within the group.

- If possible, have the partners fill in their BMC in advance of the workshop. Otherwise plan for an extra 20 min to do this individually.

- Encourage partners to ask clarification questions when the BMCs are being presented.

- Point out any similarities in the partners’ BMCs or priorities.

Step 2
Individual brainstorming + Sharing + Collective reflection

- Print or take a picture of the partnership canvas and give it to each participant to use in future conversations, if needed.

Step 3
Individual reflection + Sharing + Collective reflection

- Make sure the partners address all questions on each other’s lists.

- Have a few questions from your own analysis ready to prompt constructive dialog and raise important issues.