



# PPPCanvas User Guide

For Public Private Partnerships, a solid business case is very important. To understand how PPPs can deliver added value by creating business opportunities and a smarter business approach, PPPLab has developed the PPPCanvas. It is based on the [Business Model Canvas \(BMC\)](#) by [Alexander Osterwalder](#), and can be used to analyze the business model of a PPP in order to gain a deeper understanding of what value is being delivered, how partners aim to deliver this value, and to whom exactly it will be delivered.

# PPPCanvas User Guide

Download and print the [PPPCanvas](#) and use the PPPCanvas User Guide to guide you through the process. The PPPCanvas consists of 13 building blocks. These are described in the sequence that should be followed when using the PPPCanvas.

For each building block, the user guide offers:

1. A description of what needs to be captured in the specific building block.
2. Important questions, formulated to help you think the specific building block through.
3. An exercise or example that might support filling out the building block.

We are happy to support you in applying the PPPCanvas to your PPP.

Please contact us at [info@ppplab.org](mailto:info@ppplab.org).

## 13. Business Ecosystem



This is an interactive pdf. Please click a building block above to go to a specific section.

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## Customers



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# 1. Customers

## Description

This segment represents the direct users of the product or service. The customers of a PPP have a direct relation to the value delivered. Customers may be individuals, communities, companies, or organizations. Assuming the PPP includes a business case, there will be paying customers, at least in the long run.

## Important questions

- For whom is value created (directly and indirectly)?
- Who are your paying customers, the direct market segment you focus on?
- What are the specific characteristics of your customers (in terms of demographic, lifestyle, behavioral aspects, and so on)?

## Exercise

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It might be helpful to actually draw your customer(s) and add as many details as possible. For example, you can add characteristics to the drawing (such as sex, age, education, household composition, professional/employment status, etc.) and behavioral aspects (such as buying behavior, loyalty level, usage rate, etc.). You can then map the relationships of the customers with the [Beneficiaries](#) in a network analysis.

Also ask yourself how well you know your customers: What exactly do you know about them? Is this based on current and reliable information or on perceptions?

When you have drawn your customers, try to capture them in one sentence, being as precise as possible.

## Extended Beneficiaries



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## 2. Extended Beneficiaries

### Description

A beneficiary is an individual, community, or organization who benefits in an extended manner from the value created by the PPP product or service. Extended beneficiaries do not pay directly for the product or service.

### Important questions

- For whom is the value created (directly and indirectly)?
- Who else benefits from the product or service delivered? (Be as precise as possible).
- Who else beyond your customer base do you want to reach?
- How inclusive is the value proposition? How does the intervention reach out to (the most) vulnerable target groups?

### Exercise

Study your identified paying [Customers](#) for whom the direct value is created. Think of others who are related to your customers and who might also benefit from the product or service the PPP delivers.

It might be helpful to actually draw the beneficiaries and add as many details as possible. For example, you can add characteristics to the drawing (sex, age, education, household composition, professional/employment status, etc.) and behavioral aspects (such as buying behavior, loyalty level, usage rate, and so on).

Then ask yourself how well you know your beneficiaries: What exactly do you know about them? Is this based on current and reliable information or on perceptions?

When you have drawn your Extended Beneficiaries, try to capture them in one sentence, being as precise as possible.

## Value Proposition



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## 3. Value Proposition

### Description

A value proposition helps identify and assess the benefits that the PPP offers to its customers and beneficiaries. It clearly answers the question: "What's in it for them?" Formulating a Value Proposition forces you to be focused, which will help define future marketing and distribution activities.

The 5 key elements of a Value Proposition are:

1. Insight: what does the customer aspire to, and what prevents her or him from reaching that aspiration?
2. Functional benefits: What does the product or service do? How does the product or service solve the problem?
3. Emotional benefits: How does the end-user feel when he or she uses the product?
4. Reason to believe: Why would the user believe you and buy your product or service?
5. Key message or tagline: How would you summarize your proposition in a few words?

[Watch the video: 'How to formulate a Value Proposition'](#)

### Important questions

- What value is delivered to customers?
- What is the functional and emotional benefit for the targeted customers and for the extended beneficiaries? What's in it for them?
- What problem of the customers' are you solving?
- Do you have proven track record or convincing arguments to gain the trust and confidence of the customer?

- How do you distinguish yourself with your value proposition, compared to your (potential) competitors? What makes you unique?
- What do you want the customer to remember (if possible in a quote, tagline, slogan)?

### Exercise

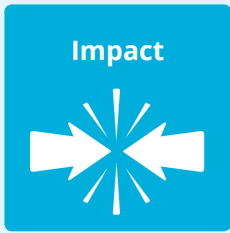
To formulate the value proposition, answer the questions in the table below:

#### Value proposition

<i>For...</i>	Customer
<i>who...</i>	What does the customer aspire to, and what prevents her or him from reaching that aspiration?
<i>our...</i>	Productname
<i>that's...</i>	Why would the user buy your product or service?
<i>provides...</i>	How does the product or service solve the problem?
<i>so...</i>	What is the end-result of using the product ? How does the end-user feel?
<i>Tagline...</i>	How would you summarize your proposition in a few words?

#### Value Proposition of a small solar powered milk cooler

*For* male/female smallholder dairy farmers *who* want to avoid milk spoilage and expand markets. *Our* Solar Powered Milk Cooler provides *longer life* for your milk and *so* better business opportunity *so* you are economic independent and *feel* proud. *Sun cool milk is good for all!*



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## 4. Impact

### Description

The impact is the social, public, and environmental value created by the PPP. It emphasizes that the PPP is aiming at more than just selling a product or service; it aims at (systemic) change, and the expected return on investment is more than financial. This building block is closely linked to the [Theory of Change](#) (a comprehensive description of how and why a desired change is expected to happen in a particular context) that is underpinning most PPPs.

### Important questions

- What positive (social, public and/or environmental) impact is generated beyond customer value?
- How do you mitigate potential negative outcomes, consequences, and risks?
- What is the long-term impact beyond the PPP? What is the desired change the PPP is aiming for?
- How is the intended impact valued in the outer (investors') world? How can you frame the PPP in that broader context?

### Exercise

The list of indicators used in the [Social Progress Index](#) could be used as a checklist to review the intended impact of the PPP. This Index separates

- Basic Human Needs (nutrition and basic medical care, water and sanitation, shelter and personal safety),
- Foundations of Wellbeing (access to basic knowledge and information and communications, health and wellness and ecosystem sustainability) and
- Opportunity (personal rights, personal freedom and choice, tolerance and inclusion, and access to advanced education).

Another reflection can be taken from the [17 Sustainable Development Goals](#) proclaimed by the UN in September 2015.



## 5. Channels

### Description

Channels describe how a PPP communicates with and reaches its customer segments to deliver its value proposition. This includes communication (or marketing) as well as distribution and sales channels. Channels are customer contact points that play an important role in the customer experience. The main function of the Channels is to allow customers to purchase the PPP's products and services, but it also functions to raise awareness among customers about the PPP's products and services, help the customers to evaluate the PPP's value proposition, and to provide post-purchase customer support.

### Important questions

- Through what channel are customers reached at present?
- Which of these channels works best?
- How are these channels integrated with customers' routines?
- Are there different channels through which customers would like to be reached?

### Example

We have developed [an Example](#) of a PPP that focuses on improving the management of organic waste (including fecal sludge), where the business case is based on turning waste into energy and fertilizer. In this example, there are three customer segments, and for each Customer there are specific channels:

1. For the municipality: meetings and joint site visits with the municipal team
2. For the electricity company: meetings, direct contact, and negotiations
3. For the farmers' cooperatives: through agricultural extension services, advertisements, trade fairs, mailings, and agro-input companies



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## 6. Customer Relationships

### Description

The Customer Relationships building block describes the types of relationships the PPP establishes with specific Customer Segments. Relationships can range from personal (face to face) to self-service to automated. You can also distinguish customers with whom you have, or want to develop, a strategic relationship and for which specific account management efforts are undertaken. Maintaining customer relationships can be driven by customer acquisition, customer retention and boosting sales or impact, which may involve different customer relationships.

### Important questions

- What type of relationship has already been established with your Customer Segments?
- How effective are these?
- What type of relationships do your Customer Segments expect you to establish and maintain with them?

### Example

We have developed [an Example](#) of a PPP that focuses on improving the management of organic waste (including fecal sludge), where the business case is based on turning waste into energy and fertilizer.

In this example, there are three Customer segments, and for each Customer Relationship they are established and maintained in specific ways:

1. For the municipality: personal contact with relevant units of the municipality. Formal contractual relations also exist. Relationships maintained through regular face-to-face meetings.
2. For the electricity company: personal contact with relevant units of the electricity company. Formal contractual relations also exist. Relationships maintained through regular face-to-face meetings.
3. For the farmers' cooperatives: Promotion of biofertilizer products among the farmers, cooperatives, and retailers through mass media (newspaper, television, and radio advertisements) and occasionally face-to-face (at fairs)





## 7. Revenue Streams

### Description

Revenue Streams represent the money (not the profit!) a PPP generates from each Customer Segment and possibly other income sources for the PPP, such as (management) fees paid by the public sector, grants, and other external support. Understanding what value your customer segments are willing to pay for will generate one or more revenue streams for each customer segment.

It is important to understand that the PPPCanvas will provide a snapshot of a single point in time. Revenues are likely to vary greatly over time, so you will need to be clear about which point in time you are capturing in your PPPCanvas (e.g. the investment or start-up phase versus the desired situation after a healthy business has been created).

### Important questions

- What are the different revenue streams?
- How much does each revenue stream contribute to the overall revenues?
- What are the pricing mechanisms for the products and services (e.g., fixed, market dependent, volume dependent)?
- If there is a deficit in revenues, what option do you have to cover these costs? For how long? Was this foreseen in the financing strategy?
- How good (or bad) is your revenue pipeline portfolio?

### Example

We have developed [an Example](#) of a PPP that focuses on improving the management of organic waste (including fecal sludge), where the business case is based on turning waste into energy and fertilizer.

In this example, Revenues are as follows:

- For capital costs:
  - Grants from donors and development banks
- From products/ services delivered:
  - Sales of electricity
  - Sales of biofertilizer
  - Tipping/dump fees from waste companies
  - Waste collection and toilet emptying fees
  - Management fee paid by the municipality



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## 8. Key Activities

### Description

Key Activities are the most important things a PPP must do to make its business model work. Key activities are pivotal for a PPP to fulfill its value proposition, reach its customer segments, sustain its customer relationships, and ultimately create long-term revenue streams.

### Important questions

- What key activities are needed to:
  - produce or provide the **value proposition**?
  - operate the distribution **channels**?
  - maintain **customer relationships**?
  - manage **revenue streams**?
- What activities are outsourced to whom?
- How are these activities governed and monitored?

### Exercise

List all your key activities. The 'important questions' above can help you to categorize them.

NB: depending on the use of the canvas, you can keep the list of activities broad (e.g., for visualizing your business model) or detailed (e.g., for verifying the viability of your business model).

## Key Resources



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# 9. Key Resources

## Description

Key Resources are the most important inputs required to make a business model work. Business models are usually based on a number of tangible and intangible resources. These are the main assets that your PPP requires to create the product or service. Key Resources define the kind of materials you need, what kind of equipment is required, and the types of people you need to employ. This is directly linked to the [Key Activities](#) of your PPP.

Key Resources can be categorized into four broad types:

1. physical (e.g., building equipment),
2. intellectual (e.g., knowledge, expertise),
3. human (e.g., competences, skills),
4. and financial.

## Important questions

What key resources are required to:

- produce or provide the [value proposition](#)?
- operate distribution [channels](#)?
- maintain [customer relationships](#)?
- manage [revenue streams](#)?

## Exercise

Based on the list of [Key Activities](#), the associated resources for each activity can be filled in a template like the below. It is recommended to work in an Excel sheet, so that the costs that will be added in the Costs building block can easily be processed





## 10. Key Partners

### Description

The Key Partners of the PPP are the stakeholders responsible for value creation and for the delivery of the **Value Proposition**. Financing partners can also be included here.

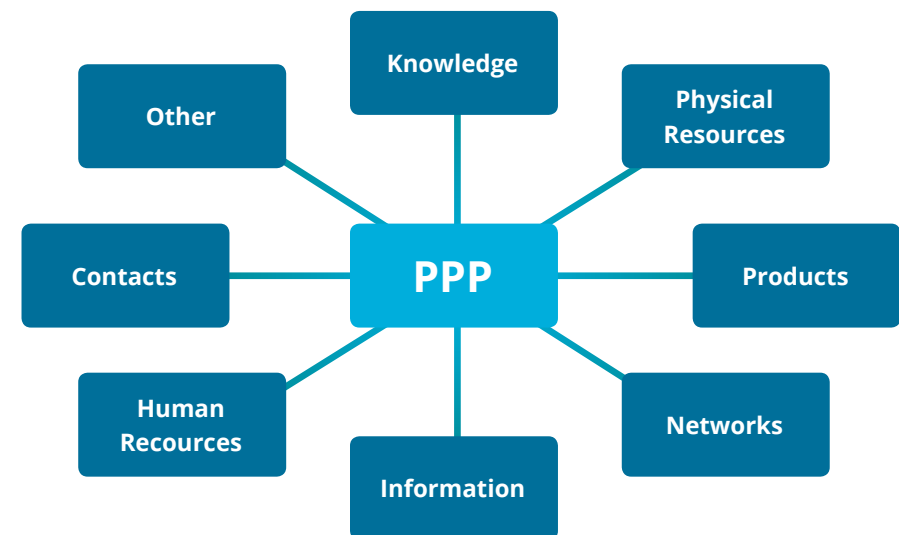
### Important questions

- What types of partner are needed for the partnership to deliver the value proposition?
- Which partners are crucial for the partnership? And for what part?
- Do you have agreements, contracts, or MoUs in place that confirm the partnership with you? Do they do so explicitly and concretely? And with clear demarcations of role, responsibility, risk (taking), and position in the governance structure?
- What is the main motivation for choosing partners (existing network, (financial) contribution to the partnership, shared vision or objectives, etc.)?
- Which key functions do the partners play for the partnership?
- Which **Key Activities** do they perform?
- Which **Key Resources** do they bring?

### Exercise

To gain insight into relevant partners, start mapping the stakeholders needed to deliver the **Value Proposition**. You can consider making a stakeholder analysis. For suggestions on how to do this effectively, please visit this [website on stakeholder mapping](#). The picture below can also help in identifying the inputs that various partners offer to the PPP.

Divide potential partners into categories: looking at the **Value Proposition**, **Key Activities**, and **Key Resources**, which partners would you expect to be in the PPP? Now look at the current partners: who is there and who is still missing?



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## Governance



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# 11. Governance

## Description

Governance is about the process of collaboration of the PPP partners. Due to the nature of PPPs (which are multistakeholder partnerships with public and private partners), the PPPCanvas pays special attention to the governance structure of the partnership, as the success of the PPP is based on how these partners interact and collaborate. Governance of PPPs is about the design and use of structures and processes that enable actors to direct, coordinate, and allocate resources for the collaboration as a whole, and to account for activities. This includes decision-making mechanisms, communication agreements, risk allocation, collaboration dynamics, and so on.

## Important questions

- How is the partnership structured?
- Who is the main/lead partner?
- What are roles / contributions of each partner?
- How to deal with power (im)balance?
- What kind of partnership agreement (including what provisions?) is signed?
- How will decision-making take place?
- What are grievances (complaints/ dispute) mechanisms?
- What are the consequences if a partner fails to deliver?
- How will the PPP communicate both internally and externally?
- How are the risks allocated within the partnership?
- How do partners deal with unforeseen circumstances?
- Is there a process for monitoring the quality of the partnership/ partnership processes followed?

## Example

We have developed [an Example](#) of a PPP that focuses on improving the management of organic waste (including fecal sludge), where the business case is based on turning waste into energy and fertilizer. In this example, the key features of the governance structure are as follows:

- The waste processing company leads the partnership.
- The management team has representatives of all four parties.
- For each activity, one partner is assigned a final responsibility; the risk of nonachievement also lies with that partner.



## 12. Cost Structures

### Description

The Cost Structure describes all the costs incurred to operate the PPP and is crucial to understanding the PPP's viability. Creating and delivering value, maintaining customer relationships, and generating revenue all incur costs. Such costs can be calculated relatively easily after defining the [Key Activities](#) and [Key Resources](#).

As with all the building blocks, it is important to understand that the PPPCanvas provides a snapshot of one point in time. Costs are likely to vary greatly over time, so you will need to be clear about the point in time you are capturing in your PPPCanvas (e.g., the investment or start-up phase versus the desired situation after a healthy business has been created).

### Important questions

- What are the key cost components of the PPP (capital expenditure, operational expenditures, maintenance costs, taxes, levies, ...)?
- How much are these costs (in absolute figures and proportionately)?
- For which [Key Resources](#) are most costs incurred?
- For which [Key Activities](#) are most costs incurred?
- Are the costs forecasts in line with the budget estimations?

### Exercise

The full picture of the cost structure can be developed by systematically mapping all costs associated with the [Key Activities](#) and [Key Resources](#) on a template like the below (it is recommended to use a spreadsheet for ease of processing). If you have a major cost stream that cannot be matched to a [Key Activity](#) or to a required [Key Resources](#), you need to look more closely: either your [Key Activities](#) building block is missing a vital activity or your costs are being inflated by an activity which is unimportant and yet has still been included in the business model. When the PPPCanvas is used to visualize the PPP, the associated important questions can be answered roughly or in a summarized form of the table below.



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# 13. Business Ecosystem

## Description

A PPP does not operate in a vacuum. A number of business ecosystem variables will influence the potential impact of the PPP. Conversely, a PPP can also influence the ecosystem, intentionally or not.

Variables in the Business Ecosystem can include a given policy, a lack of available professionals or fierce competition. To give you an idea of what you might be facing, a list with examples of such ecosystem variables is provided below. Note that this list is not exhaustive.

## Important questions

- What are the potential barriers to the PPP in the business ecosystem?
- What are the potential opportunities in the business ecosystem that the PPP can benefit from?
- What strategies can be used to influence the ecosystem?
- What are the PPP's main competitors?

Note: please use generally recognized, evidence-based, and up-to-date sources for the information needed to answer these questions! And regularly check these sources to update your information, since changes or developments in the ecosystem may lead to (additional) risks, which may lead you to rethink the [risk allocation](#) for the PPP.

## Exercise

Use the above checklist of variables; select and specify those that may influence the impact of the PPP. Review whether there are other variables that can play an important role in the specific context in which the PPP will operate. Develop mechanisms to mitigate the impact of these variables. If applicable, add these activities, required resources, and costs involved to the [Key Activity](#), [Key Resources](#), and [Cost Structure](#).

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## Examples of Business Ecosystem Variables

### Market & Finance

- Competitors
- Access to finance
- Interest & currency exchange rates
- Composition of market
- Inflation

### Culture & Community

- Gender equality
- Cultural (food) habits
- Levels of education
- Levels of poverty

### Environment

- Environmental awareness
- Climate change
- Environmental degradation

### Policies & Politics

- Rules & Regulations (incl. import/ export regulation)
- Bureaucracy
- Tax & subsidy schemes
- Corruption/ transparency

### Technology

- Main technological trends
- R&D intensity
- Technical skills and knowledge

### Infrastructure

- Road infrastructure
- Logistics
- Power and network

## Why PPPCanvas?

The [Business Model Canvas](#) of [Alexander Osterwalder](#) describes the components of a business model in 9 blocks. The original BMC is mainly designed for mapping company business models. A number of elements are missing in relation to the objectives of PPPs with a development focus. Besides economic objectives, PPPs also have certain developmental goals and often operate in difficult environments. This is why PPPLab decided to extend the original Canvas, adding 4 additional blocks.

The [Impact](#) of the PPP is the (systemic) transformation or change the PPP aims for beyond the direct services or products it delivers. This impact includes the public, social, and environmental values created - i.e., the related development goals the PPP wants to contribute to. Development impact is especially crucial for public parties to engage in the partnership. The Social Return on Investment is the accepted way of 'monetizing' the impact of PPP interventions, especially useful when commercial revenues do not match the PPP-intervention costs.

The [Extended Beneficiaries](#) of the PPP are the recipients of the envisaged

impact, besides the customers. Direct customers are not necessarily the ultimate beneficiaries of the PPP. To address the inclusiveness objectives of PPPs in the development sector, it makes sense to distinguish the customers (from a business perspective) from the broader population that the PPP envisions having a positive impact on. This can be in terms of social links with customers (e.g., with the family at large instead of with just the mothers buying products), but also in terms of time (interventions might seek changes over generations, as in the food sector), or through 'customers of the customers' (smallholders or SMEs as customers providing services to a broader population).

The [Governance](#) of the partnership needs extra attention due to the nature of PPPs. These kinds of partnerships are inherently formed between multiple parties, both public and private. The success of the PPP is based on how these actors interact. The governance of PPPs includes decision-making mechanisms, communication agreements, risk allocation, collaboration dynamics, and so on. The roles and responsibilities of the public and

private partners need clear definitions and institutional embedding. The partnership may be temporary, but the intervention can (should) be institutionalized to last.

The [Business Ecosystem](#) reflects the environment the PPP is operating in and which can influence and be influenced by the PPP. This can include contextual variables such as the political environment, power balance, and economic development, as well as cultural factors, applicable legislation, and present (logistical) infrastructure. This implies both factors that the PPP may be able to influence (through its direct or indirect work on improving the 'enabling environment'), as well as factors beyond the control of the PPP.

With the addition of the four new building blocks, the PPPCanvas, like the original BMC, will help PPPs visualize, design, and pivot their business model. The PPPCanvas is a tool that can be used to analyze the business model of the PPP, to gain a deeper understanding of what value is being delivered, of how the partners aim to deliver it, and to whom exactly it will be delivered.

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## Overview of the PPPCanvas blocks

The PPPCanvas consists of 13 building blocks. These are described in this guide in the sequence that should be followed when using the PPPCanvas. However, it is also worth keeping in mind that using the PPPCanvas is often an iterative process, in which refinements are made by going back and forth, improving the previous steps in the process. This helps to identify what blocks are 'in shape', which blocks need improvement, and which blocks are still underperforming or not well developed.

A PPP serves **1. Customers** who have a direct relation to the value delivered by the PPP. Together, the public and private partners create value for their Customers. The customers are directly affected by the PPP's activities and are in general the ones who pay for the service. As a PPP has a development focus, the PPP also impacts indirect customers: the **2. Extended beneficiaries**. The value or service that the PPP delivers to its customers and beneficiaries is captured by the **3. Value Proposition**. In doing this, the PPP seeks to have a social, environmental, and economic (both intentional and incidental) **4. Impact** on the customers and the beneficiaries; this impact goes beyond the direct services or products the PPP delivers. The way in which value is delivered (e.g., communication, distribution, sales) is specified in the **5. Channels** segment. To engage customers for a longer period with the products and services the PPP delivers, it is important to establish and maintain **6. Customer relationships**.

When customers actually buy the delivered product or service, **7. Revenue Streams** are created from the money generated by delivering the value proposition to the customers. By performing a number of **8. Key Activities**, the value proposition can be delivered. To undertake these activities, **9. Key Resources** are required. Activities are performed and resources are provided by the **10. Key Partners** of the PPP. These partners organize themselves through a specific **11. Governance** structure. The implementation of the PPP by performing activities with the help of resources results in a **12. Cost Structure**, which describes what partners need to spend to operate the PPP. All the PPP activities will be performed within a **13. Business Ecosystem** that influences and is influenced by the PPP.

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## Frequently Asked Questions

### 1. Can the PPPCanvas be used as an assessment tool?

The PPPCanvas is not meant as an assessment tool. It illustrates the business model at a given point in time in a qualitative manner. This may be helpful in an assessment, but more quantitative descriptions - as well as the notion of time - should be added when doing an assessment. The PPPCanvas is an extension of the original [Business Model Canvas](#), with four additional blocks added to allow swift representation of a PPP.

### 2. Can my business strategy be based on the PPPCanvas?

The PPPCanvas may offer some help, but designing business strategies implies defining business goals, vision, and mission and then translating these into a business plan and an operational plan. While most of the PPPCanvas blocks can contribute, they do not provide all components for a comprehensive strategy or follow a logical process of strategy definition. Using the PPPCanvas might lead to improvements in or adjustments of your business plan or strategy.

### 3. Does the PPPCanvas not oversimplify PPPs?

The summary representation of a PPP is one of the strengths of the PPPCanvas,

as it forces users to be concise and helps to pinpoint key aspects of the PPP. This doesn't mean that the PPPCanvas can replace a thorough theory of change or logical framework, business plan, more in-depth analyses, calculations, etc. While the PPPCanvas tries to make a one-page snapshot of a PPP, the information in each building block is often based on more detailed documents, calculations, or 'subcanvases', such as the [Value Proposition Canvas](#) or the [Partnership Canvas](#). It is clear that, for each individual block, you can perform more in-depth analysis with more specialized experts, as deep as you wish to go.

### 4. Where and how can I capture exit strategies and scaling-up strategies in the PPPCanvas?

The PPPCanvas is not really designed to capture or develop such strategies: it instead provides a snapshot (by definition static), while strategies imply working towards a new situation. But the PPPCanvas may still assist in designing the strategy by comparing the PPPCanvas for a current situation with the PPPCanvas for a future, desired scaled-up situation. This may help in defining what is needed to move from the old to the new situation. It also helps in verifying the consequences of choices in certain

blocks (for example, outsourcing key activities) on other blocks (costs, partners, governance, or channels).

### 5. The list of variables in the Business Ecosystem is too long. Could this list not be more focused, and thus more helpful and less daunting?

The list is to be used as a checklist through which you can look and from which you should only capture those elements in your PPPCanvas that are indeed likely to have a significant impact on your PPP; look for 'enablers' or 'killers' of your PPP. It will be very unlikely that all variables in the list play a major role.

### 6. Shouldn't you only capture operational costs and direct income from customers under the Costs and Revenues building blocks, and treat capital costs, loans, grants, and similar in a different way?

When capturing the costs and revenues in the canvas, it is important to be clear about the point in time for which the canvas is made. These building blocks will vary, depending on the stage of project implementation and the purpose for which you want to use the canvas. To avoid comparing or confusing different sort of costs (e.g., capital costs and

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#### Downloads

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management costs), you will need to make clear headings and group costs under the right category.

**7. Should in-kind contributions (e.g., labor) be included under Revenue Streams?**

Since you would want to make a calculation of the financial viability of the business case, it would be best to convert all costs and revenues into monetary terms. So in the example of voluntary labor, the amount of labor can be converted to a monetary amount by using a common labor tariff.

**8. What about subsidies? Can these be included under Revenue Streams?**

Although subsidies and grants are not true ‘revenues’, you should capture them under Revenue Streams if the business case relies at least partially on them, otherwise the PPP would not be accurately described. It thus depends on the point in time for which you are capturing the PPP in the PPPCanvas. Since the PPPCanvas provides a snapshot in time, you need to be clear about this choice of time. If you want to illustrate the business model after the subsidized period, the idea would probably be to make a business based only on revenues from customers. In that case you should not be counting on subsidies and you should not list them in your PPP Canvas.

**9. Why have you chosen the term ‘Business Ecosystem’ (and not e.g. Business Environment or Enabling Environment)?**

This term refers to a future situation: what is needed to create an enabling environment. The term is part of a recent trend toward using biological concepts to better understand ways to succeed in business. Advances in technology and increasing globalization have altered ideas about the best ways to do business, and the idea of a business ecosystem is thought to help companies understand how to thrive in this rapidly changing environment. The idea is that a business in its ‘ecosystem’ affects, and is affected by, many factors, creating a constantly evolving relationship in which a business must be flexible and adaptable in order to survive, as in a [biological ecosystem](#).

**10. I find it hard to fill out the Partnership Governance section, as we are not really an ‘equal’ partnership. Do you have any clarification on this block?**

As a means to an end, the PPP is not always conducive to forming equal partnerships. The rules the financing instruments can also influence this. For example, with FDW and FDOV, due to the complexity and administrative burden of these instruments, some stakeholders are not or cannot be included as real partners. Since this can have consequences for the power balance and decision-making structure in the PPP, this will influence the PPP. To take another example, local SMEs often cannot handle the administration of such a PPP, and are therefore less likely to be included. For the larger

(Dutch) partners this is worrying, because it makes it more difficult to meet partnership requirements. This is exactly also why we added this building block to the Canvas: it is crucial that partners are aware of the (sometimes implicit) underlying reasons for the presence and absence of stakeholders in the PPP.

**11. Can Customers be partners of the PPP at the same time?**

Customers are an important stakeholder of a PPP. Over time, they might be considered as partners that contribute or invest in the PPP, rather than simply pay for the product or service.

**12. There seem to be various ways of filling out the PPPCanvas. What is the right way?**

The PPPCanvas can be filled out from various perspectives, for different purposes and stages of PPP development. Each perspective will lead to a slightly different way of describing the building blocks. For example, the value proposition of one partner will be different from that of the PPP as a whole, and again will be presented differently for an investor or local partner. So it is very important to be clear about both the point in time for which and the perspective from which you fill out the Canvas.

**Other questions?**

If you have additional questions about the PPPCanvas, please email us at [info@ppplab.org](mailto:info@ppplab.org).



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