

Business Models for PCEDs

A business model depicts how organizations, whether they are private companies or public entities like cities, create, deliver, and capture social, environmental, and economic value. For public organizations, a business model is mainly about how they provide public services and how these services are paid for. Therefore, the business model concept helps them in delivering valuable public services effectively and efficiently. Business models are an essential tool to attract the support of private investors in building successful smart cities and PCEDs. The innovation for PCEDs lies not in creating new models, but in effectively combining existing models to meet their unique needs.

THE MAGIC TRIANGLE OF BUSINESS MODELS

The aim of the Magic Triangle Board is to become clear about your **target customer segments**, your **value proposition**, your **value chain** and your **revenue generation mechanism**, which fleshes out your **business model** and makes it visible and comprehensive, while at the same time laying the foundation for future innovation.

We call this constellation the '**magic triangle**' because an adjustment at one corner (for example, optimizing revenue generation at the bottom left) automatically necessitates tweaking the other two corners.

WHO-WHAT-HOW-VALUE

A business model creates and captures value by defining its **four cornerstones**: it defines who your **customers** are, what **value** you are providing, how you produce your **offering** and **why** your initiative creates value.

WHO-WHAT-HOW-VALUE describes a business model of which the first two elements (WHO and WHAT) address its external aspects and the second two (HOW and VALUE) address its internal dimensions.

PCED Business Model Assembler

PURPOSE AND BACKGROUND

The urgent need for effective strategies to manage the ongoing energy transition and the reduction of CO2 emissions has become increasingly apparent. As global awareness of environmental issues grows, there is a critical requirement to develop new financial frameworks and a new business model mindset to support sustainable initiatives. This is especially pertinent in the context of Positive Clean Energy Districts (PCEDs), which represent a forefront movement towards creating inclusive, resilient, and smart urban communities, given that it is estimated that 80% of the global population will be living in cities by 2050. Recognizing the essential role of innovative business models in this sphere, this card game is designed to provide a comprehensive and practical guide on business models design for PCEDs worldwide.

ABOUT THE GAME

The **PCED Business Model Assembler** was designed to support the design of sustainable and scalable business models for **Positive Clean Energy Districts**, offering a wide range of business model patterns to be combined in order to meet different local needs and maturity levels. Suitable to design new business models or validate and improve existing models.



Now the game can start (10 min)

MAKE AN INTRODUCTION

What is the purpose of playing this game today?

What do we hope to gain?

How can we use this afterwards?

Give a short introduction based on the Purpose and Background description.

Briefly describe the steps of the game and define how long you will play.

AGREEMENTS

It's a good idea to agree on the appropriate level of confidentiality, e.g. when you've finished playing, no personal or workplace information can be shared. Or any other agreement that might be relevant for the group.

QUESTIONS CARDS

Use the Questions Cards to support the steps of the game.



STEP 1: THE VALUE PROPOSITION (WHAT?)

(45 MIN)

a) Choose a challenge (15'): Every participant chooses a PCED challenge (see PCED Challenge Card for detailed instructions) and writes it down on one sticky note each. Based on the individual challenges, choose **one common challenge** that energizes the group in terms of relevance and priority. Discuss: What is the task or challenge about? What does the challenge consist of?

b) Desired outcome (15'): Why is it important to tackle this challenge? If you succeed the way you hope in the situation, what are the outcomes? Each participant decides which levels or arenas are relevant to the challenge and draws or writes down four (4) desired outcomes on one sticky note each, and places them at the top of the magic triangle game board.

c) The PCED solution (15'): What product or service will enable you to tackle the chosen challenge? Read Question Card 1 aloud and follow the instructions, coming to one single solution that the group considers relevant.

STEP 2: THE CUSTOMER (WHO?)

(20 - 40 MIN)

Read Question Card 2 aloud and follow the instructions

STEP 3: VALUE CREATION & DELIVERY (HOW?)

(20 - 40 MIN)

Read Question Card 3 aloud and follow the instructions

STEP 4: THE REVENUE MECHANISM (VALUE?)

(20 - 40 MIN)

Read Question Card 4 aloud and follow the instructions

STEP 5: PROTOTYPE ACTION PLAN

(30 MIN)

Read Question Card 5 aloud and follow the instructions

FINAL CLOSING ROUND

(15 MIN)

a) Learning and insights for each participant, keeping in mind the purpose of playing, what important ideas and inspiration came up?

b) Agreeing on the next steps in accomplishing the Business Model designed by the group

Closing off together is important to make the game worthwhile. Feel free to create a way to close off that suits your context and the purpose of the game.

How to play

Group size: 3-6 people

Target audience: urban planners, multi-stakeholder groups representing the PCED different solutions, interests and needs

Duration: 2-3 hours

Instructions: follow the Instructions below and have fun!

GAME COMPONENTS

1 Magic Triangle Board; 69 Pattern Cards, 6 Questions Cards, 1 Glossary Card, Post its, Stickers, Color pens

Before playing

THE GAMEMASTER

Choose a game master.

The game master has read the instructions and is ready to introduce the game. The game master opens and closes the game.

Along the way, the game master can give time markers, listen to the group(s), and help the game process flow.

If you play with one single group, the game master can also participate and play.

PREPARATION

Open the game and lay out the game board and cards.

The game board is a triangle with 4 dimensions (WHO-WHAT-HOW-VALUE) and 3 topic areas (target customers, value proposition, revenue generation mechanism).

Place the cards around the game board according to the respective topics by color, with the descriptive text facing down.

Distribute sheets from the 2 notepads so that everyone gets a sheet from each.

Make sure everyone has a pen or a pencil.

Decide whether you want to work in random groups or groups mixed according to a certain principle.