

Social Business Model Canvas: MotMot Coffee, Seattle University

Key Partners	Key Activities	Customer Relationships	Customer Segments	Value Proposition
<p>MotMot has built partnerships with farmers in producing countries and the co-ops they work with. We have also built a relationship with students and faculty on the Seattle University campus who run our daily operations. We have partners with local roasters, on campus food services, and local retailers.</p> <p>We needed to obtain import licenses or use third party shippers to receive our coffee in the US. We also need product liability insurance in order to sell to the local Seattle markets and the greater Pacific Northwest.</p>	<p>MotMot sells coffee wholesale B2B in the greater Seattle area. As a social enterprise, we are tasked with not only providing a great tasting coffee but tying consumers to our mission.</p> <p>Besides the coffee, MotMot spends a considerable amount of time on economic research regarding coffee production. We empower other student-led social enterprises by publishing research regarding our experience. Using our voices to advocate for mitigating the injustices in the coffee supply chain is part of our key activities. We execute this mission by donating our profits and visiting our farmers every year.</p>	<p>MotMot Coffee has established strong relationships with the current student body at Seattle University and is now expanding into the local Seattle markets. We are establishing new partnerships with local grocery stores, retailers, and coffee shops. Our longest customer partner is with the Seattle University campus store. MotMot comprises 3% of all yearly sales for this one Follett location. As a mission driven company, our most connected customers are those we can explain the detailed facets of our enterprise. Many customers buy from word-of-mouth advertising and personal connections to the company.</p>	<p>Our customers can be separated largely into wholesale and retail clients. Retail broken down further into retail locations and standalone personal sales. Our wholesale clients are businesses who both brew our coffee and sell individual bags. Our segmentation is largely upper-middle class coffee consumers in the Pacific Northwest who tend towards mission-driven companies.</p> <p>Beneficiary</p> <p>Coffee farmers are the main beneficiary of our intervention. MotMot is a producer-centric social enterprise determined to mitigate injustices in the coffee supply chain. Other beneficiaries of MotMot are families and communities surrounding our producers. In addition, Seattle University students who gain business experience while running the company benefit from the intervention.</p>	<p>MotMot Coffee is a “Yes... and” company. Yes, we offer a high quality specialty coffee. Our flavor profile and price is competitive in the market. And! We offer conscientious consumers an opportunity to connect to our mission. Our ethical sourcing and charitable donation of profits connects consumers to our producers.</p> <p>Beneficiary Value Proposition</p> <p>MotMot pays coffee farmers a larger premium than Fair Trade and Organic certifications require. Our partnership will also offer access to increased financial literacy and marketing opportunities for access to larger international buyers. In addition, our profit donation impacts families and increases community development overall.</p>

Key Resources	Type of Intervention	Channels	Customer	
<p>We use standard supplies to create our product: coffee bags, labels, heat sealer etc.</p> <p>People are a big part of our operations. MotMot team members contribute to the bagging process, coffee deliveries and the maintenance of relationships with customers. Campus partners are also a crucial resource and provide insight into operational relationships and optimization of resources. We ensure our financial stability via sales on campus, off-campus contracts, and individual sales and events.</p>	<p>Our intervention is a product with a modified supply chain. Our core competency is distributing coffee B2B. Additional activities include student business education, coffee economic research, and NGO partnership. As we conduct business, we connect consumers to the stories of producers to influence ethical consumption.</p>	<p>In order to reach users and customers, we utilize virtual advertising as well as hard copy marketing techniques. For virtual advertising, we have a Facebook account as well as an Instagram account that features frequent posts to promote the MotMot brand. As for hard copy marketing, posters are hung all around the Seattle University campus so that students are informed on where to purchase the bags of coffee. In addition, other hard copy products such as coffee mugs, t-shirts, and pins are available for purchase while stickers are passed out to further promote the brand.</p>	<p>Current customers of our product include Seattle University students who buy our product through campus based stores such as the Cave and the Bookstore. The Cave is housed in a dormitory which allows our customers easy access for their coffee. In addition, the Bookstore also provides our Seattle University customers easy access to our product. At present, Motmot coffee is being brewed in Verve Bowls, a shop that specializes in Acai bowls. Verve also sells their customers bags of our ground and whole bean coffee which expands our reach in the Seattle area. Moving forward, MotMot aims to gain more contracts with local businesses to carry our line of coffee for their customers as well. In general, our customers are ethically conscious consumers who lean towards specialty coffee for their daily brew.</p>	<p style="text-align: center;">Customer Value Proposition</p> <p>Customers of MotMot coffee can enjoy their morning cup with a clear conscious. Customers are assured the product is ethically sourced and benefits the producer directly. In addition, they are tied to the Seattle University students who run the company and aid in the opportunity to develop ethical business leaders for a more just and humane world. The quality, taste, and price is competitive in the specialty coffee market while still offering a mission-driven product.</p>

Cost Structure

Currently, our biggest expenditures revolve around the coffee beans themselves: purchasing from the co-op, shipping to the U.S., and roasting and storing in our warehouse in Auburn, WA. Once the coffee is roasted it is shipped to our offices where we bag the beans ourselves. Moving forward, we have the option to have the coffee bagged in the roasting facility for additional cost, which could reduce costs overall by eliminating the extra shipping fees and cost of labor. Additionally, supplies like coffee bags and marketing materials are factored into our cost structure, along with delivery costs. As we scale up, the cost per unit of many items like coffee bags and labels decreases. Our methods of delivery to our clients will evolve as our customer base grows, creating additional costs. Further into the future, we have discussed the option of providing capital equipment (coffee grinders, espresso machines, etc.) as an incentive to gain new accounts. This is not an uncommon practice in the wholesale coffee industry, but would obviously increase expenditures significantly.

Revenue Streams

MotMot earns income from the sale of its coffee while at the same time benefiting from academic grants and awards from business competitions. In the future, possibly transitioning to a nonprofit allows the company to receive money in the form of donations. While the company has benefited from grants and performed exceptionally well in business competitions, grants and prizes are never a sure thing and often beyond our control. Therefore, we aim for coffee sales to be the most significant and sustaining method of making money. All funds, whether from sales, grants, or awards are categorized as revenue to pay for the operational expenses. All profit after expenses will be distributed to back to the farmers of the co-ops we work with in the form of education scholarships.



1. Social Impact

- 1.1. **Summarize your understanding of the problem you are trying to address and its root causes.** *You may wish to draw from and briefly summarize relevant key components of your round one submission.*

Despite farmers negotiating contracts prior to the growing season, even Fair Trade does not mandate they are compensated up front. During the growing process they are still accruing expenses for farm maintenance, fertilizer, and emergency repairs. Not until product reaches port in the destination international market will the producer see revenue. Since coffee farmers do not have financial capital to work with during the growing season, they often sell their coffee in-country for quick cash. These sales are pennies on the dollar of what the beans are actually worth in the international market. In doing so, farmers often devalue their coffee and inadvertently break contract with buyers when they cannot provide the correct volume at the end of the season. Many farmers have suffered from poverty their whole lives, some have inherited farms from their older family members. Since families could sparsely afford school many cannot read. In addition, most farmers are financially illiterate with no background in business and no access to schooling of that nature. In context of financial illiteracy, many farmers are taken advantage of by opportunistic bankers. Without capital and desperate need for quick money, they sign up for lines of credit with ghastly interest rates unaware of their inability to pay it off. As all of these factors compound with unshakable economic hardship, most farmers cannot afford to pay workers on their farm. They ask their children to stay home from school in order to work with the crops. In addition, living on less than \$2 US dollars a day it is usually impossible to buy school supplies, uniforms, or transportation leaving most children unable to finish a primary school education. Now, the next generation will be in the same position as their parents unless something can break the cycle.

1.2. Explain who will benefit from your social innovation. *What specific target population will benefit from your social innovation? What other populations or stakeholders will derive a benefit from your social innovation? (see SEGMENTS on the social business model canvas)*

Coffee farmers are the main beneficiary of our intervention. MotMot is a producer-centric social enterprise determined to mitigate injustices in the coffee supply chain. Other beneficiaries of MotMot are families and communities surrounding our producers. In addition, Seattle University students who gain business experience while running the company benefit from the intervention. MotMot pays coffee farmers a larger premium than Fair Trade and Organic certifications require. Our partnership will also offer access to increased financial literacy and marketing opportunities for access to larger international buyers. In addition, our profit donation impacts families and increases community development overall.

1.3. Explain what your social innovation does. *What are the key activities that you will carry out? What is the product, service, or intervention that you offer? (see KEY ACTIVITIES and TYPE OF INTERVENTION on the social business model canvas).*

Our social innovation offers ethically sourced coffee that supports producers often harmed in the supply chain. The coffee is directly purchased thus cutting intermediaries who take portions of the funds disproportionately from farmers. As a student-created and student-run enterprise, we are uniquely focussed on education -- for students and farmers. At the end of each year we donate 100% of our profits in the form of educational scholarships to the coffee farmers we are partnered with.

1.4. Explain the potential depth of impact. *What is your project's most important social impact?*

MotMot's most important social impact is a producer-first mentality to business. The international coffee market has been structurally created to extract maximum value as a commodity crop out of producing countries at the lowest possible price. By conducting economic research to determine a sustainable wage for coffee producers and then paying that premium for our beans, we actualize an increased quality of life for producers. In addition, with educational donations we provide the extra capital needed for a family to transform themselves and their community.

1.5. Explain the potential breadth of impact. *How scalable or replicable is your social innovation?*

MotMot has published research using our social enterprise as a case study. The intention has always been for other University's to create their own enterprises and partner with new coffee producers. The business model is unique to Seattle University, however, is needlessly exclusive -- the model is entirely replicable. With continued outreach, press, and research our story will continue to advocate for a producer-centric business model. Ideally, holding the standards of our commodity goods to a higher ethical standard than before.

Acceptability/Desirability to Customer

1.6. How would your target customer / beneficiary define the social/environmental challenge you are addressing in their own words?

They may say that MotMot is tackling the economic/social problem with Nicaraguan coffee farmers. Coffee farmers not getting back what they are putting into the production of coffee isn't socially just. Giving back allows them to lead better lives, allow their children to access education, and make a profit. This also gives them the funds to make environmentally responsible choices, improve their farms, and not have to sacrifice quality for the coffee in order to produce enough to support themselves.

1.7. Explain how your activities will create your desired social impact for this customer. *In what way is your approach going to solve the problem you have identified? What is your theory of change and or your social ventures strategies to create impact? (see VALUE PROPOSITION on the social business model canvas)*

While consumers who purchase our product will be directly benefitting the producer, the social impact doesn't stop there. Our mission becomes spreadable rhetoric to those who grow their knowledge of injustices in the coffee supply chain. Creating

ethical consumers and increasing the prevalence of fairer than fair trade products makes a marked impact in the livelihood of producers.

1.8. Explain how you have tested the assumption(s) that your idea will work and what customer insights you have gleaned in this process. *What have you done to test or validate your idea? Have you interviewed people? How many and what did you learn? Have you run any experiments? What did you learn? What changes have you made to your social innovation concept based on the insights you have gathered? What other assumptions you have yet to test, and how are you planning to test them? If you have a Minimum Viable Product (the most basic form of your intervention that you use to get customer feedback early on in the process), please describe what it is and how you have built / will build in a feedback loop to gather insight from your customers as you test.*

Since MotMot is a fair trade organic coffee company the desirability of our product is popular within the region. Seattle is the specialty coffee capital of the world and the organic food trend is pervasive the Pacific Northwest. Both of these certifications show the social and environmental impact of the brand. When products hold these certifications customers feel like they are contributing to the cause because they are supporting companies that advocate for these causes. The acceptability of MotMot Coffee is in a small market at the moment but power to increase with staged growth. Currently MotMot is offered on Seattle University's campus and at a local Seattle business called Verve; however, as the team continues to expand, the brand is looking into gaining more wholesale contracts. In the future, MotMot will be available at local grocery store and approved as a vendor with a national food service provider, Chartwells.

2. Resource Gathering and Financial Sustainability

2.1. Explain how you will connect with crucial stakeholders for building your social innovation. *How will you reach (i.e., connect with or access) the customers, beneficiaries, and payers for your social innovation? How will you communicate the value of your social innovation and compel stakeholders to act? How will you get any special access or permissions you may need in order to implement your social innovation? (See CHANNELS, CUSTOMER RELATIONSHIP and KEY STAKEHOLDERS on the Social Business Model Canvas).*

MotMot has established distribution channels through on-campus locations as a testing ground for different methods of sales. We have partnered with Follett Bookstores and Compass Group to deliver our product to colleges, Universities, and other locations seeking a social purpose coffee. Through advertisements, social media marketing and our online presence working with students we will communicate our non-profit mission and the differences in our coffee supply chain that provide additional value and ethical considerations for coffee farmers. Additionally, all our labelling sales materials and promotions focus on the certifications and additional social value we provide. We will use those channels to communicate our vertically integrated supply chain, upfront payments to farmers, and educational scholarship to demonstrate our social value.

2.2. Explain the financial model for launching and running your social innovation. *What are the initial financial costs required to launch your social innovation? What are the ongoing costs of running your social innovation? What are the sources of funding that you will use to start up your social innovation in the first two years? What are the revenue streams that you will use to financially sustain your social innovation over the long term? Who will pay for what? Will you depend on earned income, donations, some combination? (see COST STRUCTURE, KEY RESOURCES, and REVENUE STREAMS on the Social Business Model Canvas)*

We have a low cost business model with minimum starting costs that is inventory based and relies on a stable supply chain and distribution network with limited capital equipment investment. We must on an ongoing basis incur promotional expenses, develop our supply chain, and increase the channel sales where we sell our coffee. We do so in order to refine the services and equipment we provide to customers that use us as their coffee supplier with recurring inventory costs, promotional costs, labor, and logistics costs. We have funded our first two years of operation with support from Seattle University anticipating being able to operate without any external support by 2019. We will use the profits of our wholesale coffee at coffee shops, stores, and retailers long term to fund our social impact, with yearly earned income being the driver for the yearly donations we provide.

3. Feasibility and Team Readiness/Capacity

3.1. Describe your current resources, partnerships and support network. *What human, material, or in-kind resources have you already secured or do you plan to secure for your project? What key partners or relationships do you already have to support the development of your social innovation? (see PARTNERS & KEY STAKEHOLDERS on the Social Business Model Canvas)*

MotMot has an established network of students, faculty, and industry experts helping to expand and grow our already functioning business, expand our impact, and increase our efficiency. Leveraging the base of students from the Albers School of Business and Economics, advice from the Innovation & Entrepreneurship Center, and yearly stipend funding from the University we are able to deliver a group of trained, high quality students ready to grow and expand the business with the necessary partnerships for help on and off campus.

3.2. Explain how your team is equipped to turn your idea into a reality. *What skills and experiences does your team have collectively that make you the right people to implement this idea? Why is this social innovation and the social impact it creates important to all of you? What makes you passionate about this cause? Are you missing any key expertise and, if so, how will you obtain it in the next three, six, or 12 months? (see KEY RESOURCES on the Social Business Model Canvas)*

MotMot is already established as a fully operating social enterprise. Our team evolves every year with graduating seniors passing down the business to younger undergrads. The team is comprised of enthusiastic and dedicated individuals who tirelessly donate their time to our cause. As undergrads, we cannot claim expertise in many areas of business -- what we lack in years of experience we compensate for in a thirst for growth and knowledge. Our well-balanced team of industry and faculty advisors offer insight into the areas we need guidance. In the future, we will continue to utilize the talents of students with necessary insight from advisors to attain success in our social innovation.

3.3. Explain how the members of your team will contribute to the social innovation. *What roles and responsibilities will each of your team members take on to stay on track? What expertise, specific skills and experience will each team member contribute?*

Our company is currently staffed by 5 student executives and 9 interns. Each student offers their unique skill set to accelerate our mission and operations. Our team is tight-knit and emphasizes low power dynamics in our organizational structure. We can truly

say we work with some of our best friends, not just colleagues. We could discuss ad nauseam the talents of every member of our 14 person (and growing) staff but, for sake of brevity, we will focus on the intern team for GSIC below.

Noah Charvat has a background in theatre and sales which will help the team when it comes time to pitch the company. With the use of expressive language and knowledge of the content, Noah will be able to make a strong pitch to our audience.

Kelsey Crowder has worked extensively with operations and marketing this year. With this knowledge, Kelsey is able to inform the audience about the sales volume, channels, and target market.

Hunter Adams rounds out the team with knowledge of the social impact MotMot has on coffee growing regions. Hunter had the opportunity to visit Peñas Blancas, Nicaragua, which is a coffee farming region, and experience first hand the coffee industry. With this first-hand understanding, he is able to see what MotMot can do to help the region and explain the impact MotMot has to the audience.

3.4. Demonstrate your team’s commitment and readiness to implement your social innovation. *How much time has each team member committed to this project for the next three, six, and 12 months? What are your academic and professional plans for the next 12 months and how will these impact the execution of this project?*

The MotMot team has remained extremely dedicated and committed to spreading awareness of the true misfortunes in the coffee industry and to ensure that farmers are receiving a fair amount of money for their coffee beans. The team, which consists of both executives and interns, has devoted a immense amount of time to continue research and determine the ways in which profit can be most helpful in these rural Nicaraguan communities. A portion of our team just visited Nicaragua this past week on our annual trip in order to strengthen farmer relationships and conduct further research. Our plans for this coming fiscal year include the addition of another brand of coffee sourced from Vietnam, and in turn, growing relationships with new farmers in the Dalat coffee growing region. MotMot continues to grow and develop as we encounter new opportunities for expansion regarding sales, international research and publication, and social impact.

4. Innovation & Competitiveness

4.1. Explain your understanding of what is already being done to address this issue (draw from and briefly summarize relevant key components of your round one submission). *What other organizations are trying to address the same problem*

or meet the same need as you are? What other social innovations are offering similar products or services? Who are your competitors in this market?

Large coffee companies, namely Starbucks, are attempting to source more, or in some cases, purely, fair-trade coffee and better reimburse their farmers more accordingly. In 2017, Conservation International launched the *Sustainable Coffee Challenge* with over 90 partners in the coffee business in order to attempt to make coffee the world's first completely sustainable crop, with an emphasis on both the communities and the practice of farming itself. Other local companies, like Café Vita or Stumptown coffee, offer fair trade coffee but don't actively guarantee sustainable wages for farmers.

4.2. Explain what is innovative about your social innovation and what differentiates it from what already exists. *What makes your social innovation unique or better than what is currently being offered in your chosen space? Do you have an entirely new product / service / value proposition, or are you adapting an existing idea to serve a new function, population, or geographic region? What advantages does your social innovation have over other, similar social innovations? (See VALUE PROPOSITION on the social business model canvas).*

What makes MotMot as a social innovation unique is our focus on education in everything we do: 1.) Our product is a vessel for educating customers on equitable opportunities within the world of Fair Trade 2.) Our profits go back into the communities of the farmers MotMot works with in Nicaragua to often times assist initiatives to support education within the community and 3.) As a student-run business, MotMot within itself provides unlimited learning opportunities for its executives and interns alike.

We do not believe our product is entirely new to the market, but our value proposition stands out as our mission goes even beyond economic empowerment. MotMot has partnered with cooperatives in Nicaragua and has created sustainable and equitable relationships with farmers. Equitable pay is important, but the company also believes in the sustainability and longevity of the farmers' communities.

Motmot rewrites the coffee company algorithm by dedicating our resources to the farmers and their families, in order to ensure the betterment of their lives, rather than into the practice of coffee farming in order to ensure future profits. By putting 100% of our profits back into the community, we retire the idea of business for profit and instead help those who provide for us to ensure a future for them, as well as help them create a better environment for a superior product.

5. Risk

5.1. Describe any potential obstacles, risks or threats that might affect the progress of your project.

Think about the risks inherent to your solution (your idea, your team, your resources, the environment you will operate in etc.). What competing forces, conflicts, priorities, or circumstances might dilute your efforts, decrease your social impact value or delay your project progress? Have you checked for the possibility of any unintended consequences of your solution that may actually make it worse for your target customers or beneficiaries? How do you plan to address these barriers / risks?

Being in the US's coffee capitol has certainly proven to be both a blessing and a challenge. There is a lot of competition and being able to break into a highly saturated market has not been easy. However, the abundance of educated coffee drinkers allows us to cater to a customer base that cares about what they're drinking. MotMot does not face the challenge of convincing coffee consumers they should care about what kind of coffee they're buying and from what kind of companies.

Obstacles we face as the company has grown have often times been financial in nature. Many potential wholesale contracts require MotMot to provide a lot of the capital equipment necessary to brew our coffee. This has forced MotMot into smaller, informal contracts until we can grow sales enough to consider investing in capital equipment. It is extremely important that a lot of our investment goes back into communities within Nicaragua; therefore, we are constantly making decisions about what investments ought to be made for the business versus directly back to the farming communities.

Our company's greatest concern is that our investment back into the community will not be effective and productive. We rely on the strong relationships built with the cooperative, farmers, and community members in order to construct an investment for the community.