

SNL Humor Can Illustrate [Un]Viable Business Models

Danielle Ailts Campeau (University of St. Thomas)

Michelle Somes-Booher (WI Small Business Development Center at UW-Madison)

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In a very funny 2014 skit from Saturday Night Live, Melissa McCarthy has a business idea – personally eating people’s leftover pizza – and is trying to get a small business loan for it from an incredulous bank officer, played by Jason Sudeikis. In [the skit](https://youtu.be/pU8prtJUwHk) (<https://youtu.be/pU8prtJUwHk>), viewed more than 9 million times on YouTube, McCarthy’s “business proposal plan” involves only a pizza box and a leftover slice of pizza. She keeps insisting that the bank officer cut her a check right away.

The skit’s lightheartedness has made it a great tool for a 45-minute teaching exercise that introduces students to the concept of business models and the business model canvas in a humorous and memorable way. In this exercise, which we’ve used with great success dozens of times in our classrooms, students conceptualize the business models of relevant companies and contrast that with the unviable business: the Pizza Eater. Finally, students brainstorm ways to pivot the Pizza Eater idea into a viable business model.

Overview of the Exercise

This experiential classroom exercise uses humor and relatable business examples to introduce students to the concept of business models (Chesbrough & Rosenbloom, 2002; Teece, 2010; Zott et al., 2011) and the business model canvas (Osterwalder & Pigneur, 2010). After a brief lecture, students engage in a class-wide, instructor-facilitated discussion about the business models of two relevant and widely known companies. Next, students watch the SNL video, then assume the role of the entrepreneur to develop a business model canvas for the Pizza Eater concept. Using the think-pair-share model, the class engages in a discussion of the viability of the Pizza Eater business model, following the nine sections of the business model canvas. The final portion of the exercise encourages students to extend their creative thinking skills to consider how they might pivot the Pizza Eater business

model into a viable company.

Theoretical Framework

When used appropriately, humor in the classroom effectively boosts student engagement among post-secondary students. Research has shown that integrating humor into classroom teaching improves student enjoyment of the course and knowledge retention (Banas et al., 2011; Garner, 2006) and motivation to learn (Banas et al., 2011). It also enhances overall student performance (Hackathorn et al., 2011). Incorporating humor into experiential learning activities may have a more profound effect on student engagement.

Following the experiential learning framework by Kolb and Kolb (2005), this exercise requires students to engage in reflective observation, drawing from their concrete experiences with familiar companies. Students then use abstract conceptualization after watching a humorous video to connect the constructs of the business model canvas to a fictitious business idea. Finally, students will actively experiment with new options for turning a non-viable business model into a viable company.

Intended Audience

This exercise is appropriate for entrepreneurship, innovation, and small business management courses introducing business models and the business model canvas. It can be used at the undergraduate and graduate levels and for community-based entrepreneurial training programs. Because of the group work required, this exercise is best used in class sizes of 18 students or greater. This approximately 45-minute activity fits within most regular class sessions and can be paired with additional related content.

Learning objectives



1. Describe the concept of a business model.
2. Identify the nine categories of the business model canvas.
3. Develop a business model canvas for the Pizza Eater idea.
4. Construct alternative business models with a higher likelihood of viability.

Lesson Plan

Activity	Topic	Materials	Time
Mini-Lecture & Class Discussion	Business Models and the Business Model Canvas (BMC)	PowerPoint	10 min.
SNL Video	Unviable Business Model	Projector + Audio	7 min.
Think-Pair-Share	BMC	BMC Hard Copy	15 min.
Group Activity	Viable Business Models	BMC Hard Copy	10 min.
		Total	42 min.

Pre-Work

Students should watch these short videos for a brief introduction to the business model canvas and its logic. Alternatively, the instructor can show this video during the mini-lecture (described below).

1. Business Model Canvas Explained: <https://youtu.be/QoAOzMTLP5s>
2. Getting from Business Idea to Business Model: <https://youtu.be/wwShFsSFb-Y>
3. Visualizing your Business Model: <https://youtu.be/wKP-BaC0jA>

Step 1: Introduction of Business Models and the Business Model Canvas (BMC) (Learning Objective 1)

The lesson begins with a mini-lecture (see Appendix I for an example slide deck) to introduce the concept of

business models and how the BMC emerged as a tool to identify and test the viability of business models. The lecture introduces students to the definition of a business model and the nine building blocks of the BMC before entering a class-wide discussion using two different, but relatable businesses as examples.

Step 2: Connecting the Business Model Canvas with Concrete Examples from Relevant Companies (Learning Objective 2)

After the BMC introduction, proceed through each of the nine segments of the BMC, asking students to identify 2-3 points per BMC segment for two well-known companies with very different business models. This works well when comparing and contrasting retail businesses that sell physical products (like Starbucks) and digital/platform businesses (like Tik Tok). Appendix I includes teaching tips and suggested business model canvases for Tik Tok, Starbucks, Tesla, and Airbnb. The class is asked to volunteer answers to the discussion questions below in each of the nine blocks for both example companies, in this order:

1. **Value proposition:** What is the primary value proposition offered by the company? Is that a value proposition to the end-user or to the customers?
2. **Customer segments:** Who are the primary customer segments of the company?
3. **Customer relationships:** Is the company's relationship with their primary customer segment high-touch or low-touch? Give an example.
4. **Channels:** How does the company get their product/service to their customers?
5. **Key partners:** What organizations might be key partners of the company (distinguish between customers and partners)?
6. **Key activities:** What are some of the primary activities in which the company must engage to deliver the product/service to its customer base?
7. **Key resources:** What resources (tangible and intangible) do you think the company needs to operationalize the business model?
8. **Cost structure:** What are the high-cost items the company probably incurs?
9. **Revenue streams:** What do you think are the largest sources of revenue for the company?

Step 3: Show Pizza Eater Saturday Night Live Video and Build the BMC (Learning Objective 3)

Next, hand out hard copies of the business model canvas (the BMC is licensed under Creative Commons and downloadable for free at the [Strategyzer website](https://www.strategyzer.com/canvas) (<https://www.strategyzer.com/canvas>) .) Tell students they will now watch a short video of an entrepreneur pitching a business idea to a business loan officer (SNL [Pizza Eater](https://www.youtube.com/watch?v=pU8prtJUwHk) (<https://www.youtube.com/watch?v=pU8prtJUwHk>) .) Encourage students to pay close attention to the pitch, as they will be required to fill out the business model canvas to describe the business model.

Step 4: Develop the Pizza Eater Business Model using Think-Pair-Share (Learning Objective 3)

1. What does the business model entail for the Pizza Eater idea?

Divide the classroom into 9 groups and assign one block of the BMC to each group. Using the think-pair-share model, have students first brainstorm individually on how the Pizza Eater business idea fits within their assigned business model canvas block (2-3 min.) Next, students should discuss with their partner(s) and agree upon 2-3 bullet points that will be shared with the class (2-3 min.). Using the order above, ask each group to share what they identified in each BMC block (5 min.). See the Appendix I slide deck for an example of the completed business model canvas for the Pizza Eater idea, including common answers provided by students.

2. Is the Pizza Eater business model viable?

We suggest you end with revenue streams, as this is the area within the business model where the Pizza Eater idea is least viable. Generally, this business concept is not considered a viable revenue-generating opportunity because the value proposition offered (i.e., removing the burden of leftover pizza) does not provide sufficient value to the customer to justify an economic exchange. Many teams will attempt to generate possible revenue streams, but most will not be realistic. This allows the instructor to “close the loop” on the viability of the business model by asking whether the customer segments would realistically pay for the Pizza Eater service. Students will come to the logical conclusion that the answer is no.

Step 4: Generating a Viable Business Model (Learning Objective 4)

3. Using the Pizza Eater concept as the basis for a business idea, how could you change the business model into a viable, revenue-generating opportunity?

In the same groups, students are next asked to use the Pizza Eater concept as the basis for a new company. Thinking about how businesses pivot from their original idea, students should consider what other uses for day-old pizza (and its box) might create value for a customer segment. What would the new value proposition be? Using a new BMC, students indicate the new value proposition offered and what type of product or service their customer segments may be willing to pay for. Encourage students to think “outside the pizza box” about ways in which they could change the business model to increase the chances of viability. To finish, ask 2-3 groups to volunteer how they altered the business model and justify why they think it is viable.

A few examples of new, “Pizza Eater” concepts proposed by students include:

- An eco-friendly pizza delivery service that sources all ingredients locally and from sustainable suppliers with bio-degradable packaging.
- A socially minded pizza restaurant that incorporates the option of donating a pizza to a family in need.
- A pizza truck, similar to an ice cream truck, that drives around neighborhoods selling full pizzas and single slices.
- A recycling company that picks up expired ingredients from pizza companies and re-uses them as animal feed.

Teaching Tips

Tip #1

When choosing the companies to use for the first portion of the activity, ensure they are relevant and well-known to the audience. For example, Tik Tok and Starbucks may be more relevant to Gen Z students, while Airbnb and Tesla may be more relevant for graduate-level or community-based students. In addition, it is helpful to select two companies with very different business models: one brick-and-mortar business and another

online or app-based company.

Tip#2

When executing the Pizza Eater activity, students in the revenue-generating group will often fail to provide realistic examples of how the Pizza Eater can sustainably generate revenue by eating other peoples' leftover pizza. The Pizza Eater fails to answer the question of why someone would pay another person to eat their leftover pizza. Some students may come up with unique answers, providing a transition into the final activity, where they are asked to pivot the model in a way that makes it a potentially viable business venture.

Tip #3

To assist with the final exercise, which encourages students to create a viable business model using the Pizza Eater concept, give students prompts regarding the value proposition. Emphasize that effective value propositions solve real problems for customers -- solutions for which they are willing to pay. Many teams will go back to the business model and reconsider what possible value could be provided by recycling unused pizza. Some teams may focus on the waste aspect while others may consider how pizza eating could provide some form of entertainment value.

Tip #4

This exercise can be converted for online use, either synchronously or asynchronously by making a few adjustments. Students should be provided digital versions of the business model canvas and encouraged to print or edit them electronically while proceeding through a narrated mini lecture. Students can then watch the Pizza Eater video and upload two versions of the business model canvas into a discussion post: one with the unviable business model and a second with their recommendations about how the business model could be altered. Students should be encouraged to engage in discussion on other students' suggested business model pivots.

Conclusion

This experiential classroom exercise utilizes a variety of constructivist pedagogical techniques to aid students through the process of identifying and developing a viable business model. The activity infuses humor to engage students in an enjoyable, yet challenging activity

that stretches their imagination. Students place themselves in the shoes of the entrepreneur throughout the activity, where they are required to tap into the entrepreneurial mindset to draw conclusions, develop justifications and create new ideas. This lesson is particularly useful when paired with a module or other lessons related to the lean startup methodology (Ries, 2011). It works particularly well when used before a discussion about customer discovery. Instructors can reference back to the Pizza Eater example to show how viable business models are more easily generated when engaging potential customers in the creation process.

The business model canvas is an increasingly popular tool used in higher education and beyond; this activity leverages the tool in a way that is relevant for the student audience and forces them to evaluate unviable business models. Students will gain a clear understanding of viable versus unviable business models, how the business model canvas is a tool that can be used to map a business model, and ways a business model can be changed to improve the likelihood of venture success.

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Watch the SNL Video

[Link to video](#)