



**WE CONDENSE INNOVATION**

# DIFT

**DIGITAL INTRAPRENEURS FAST TRACK**

**EXPLORE**



SESSION 2

# Value Proposition Design & Validation

# Introduction to Value Proposition

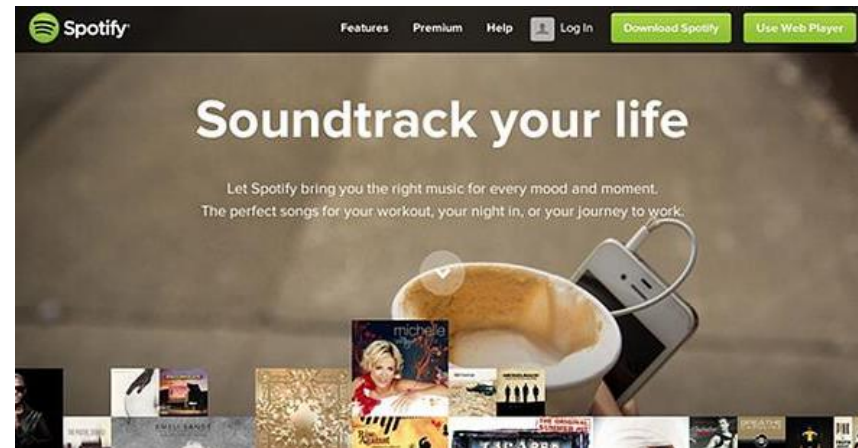
# Examples of great value propositions

## APPLE



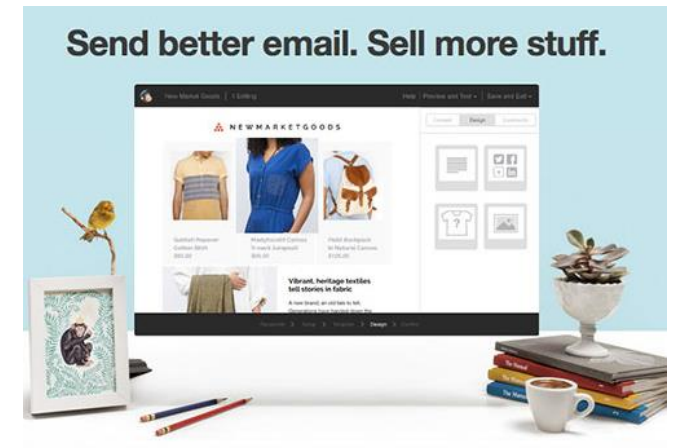
Apple emphasizes lightweight (“Light”) of its MacBook, the main differentiator, and in parallel confirms its advances in technology (“Years ahead”).

## SPOTIFY



Spotify's product is all about bringing music into your life, and it does that by being available on-the-go in your smartphone as well.

## MAILCHIMP



Mailchimp's value proposition is simple and direct: 3 words + 3 words, telling you what you can do, and which gains you will achieve by using the service.

# What do these example show us?

## LESSONS LEARNED

- Effective communication is paramount to business success
- Value Proposition is all about telling your customers **clearly** and **quickly** what you offer and why it is distinctive
- So you need to put yourself in the **perspective of your customer**, accurately define what is the value you aim to deliver and whether it is perceived by the customer him/herself

**Great value propositions are compelling statements and visuals that paints a clear picture of the value your product has to offer.**

# Deep dive into Value Proposition design

# Value Proposition design

## WHAT IS IT?

**Products, services and experiences are intended to meet customers' desired gains or relieves their existing pains.**

To design a compelling value proposition, you must understand the desired gains and existing pains of the people you aim to serve. Through this process you will be able to craft the value proposition of your product/service and may also uncover unexpected gains.



How to create products and services customers want.  
Get started with...

# Value Proposition Design

[strategyzer.com/vpd](http://strategyzer.com/vpd)

Written by  
Alex Osterwalder  
Yves Pigneur  
Greg Bernarda  
Alan Smith

Designed by  
Trish Papadakos

WILEY



## MAIN REFERENCE

Thanks to Alexander Osterwalder useful tools have emerged to support designers and business strategists in their search for the ultimate value proposition for their product or service.

**Reference book:** Value Proposition design, by Alexander Osterwalder (2014)

# How to design your new Value Proposition

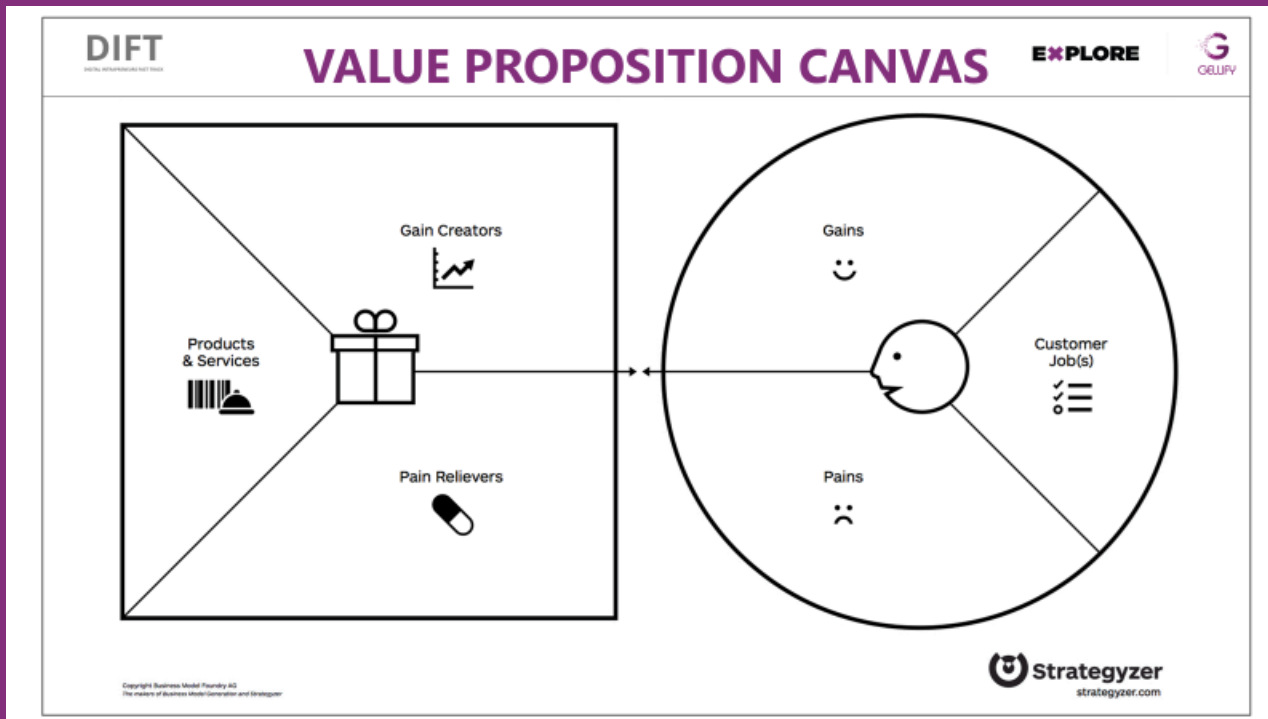
# User Research: how to

## VALUE PROPOSITION DESIGN WILL HELP YOU TO SUCCESSFULLY...

- **Understand the patterns of value creation**  
That is: organize information about what customers want in a simple way and, as a result, you will more effectively design value propositions that directly target your customers' most relevant jobs, pains, and gains.
- **Leverage the experience and skills of your team**  
Equip your team with a shared language, so you can stay focused on more strategic conversations and get aligned. This will lead to more effective meetings that produce actionable outcomes – beyond a focus on technology, products, and features toward creating value for your customers and your business.
- **Avoid wasting time with ideas that won't work**  
Test the most important hypotheses underlying your business ideas in order to reduce the risk of failure. This will allow you to pursue innovative ideas without having negative impacts on financial resources.

# Value Proposition canvas

## TOOL: VALUE PROPOSITION CANVAS



The value proposition canvas is a tool for understanding how customers make decisions, and therefore helps creating solutions that they find appealing.

It can be used to both invent new value propositions, and improve existing ones.

The next slides will present a step-by-step guide for completing the canvas.

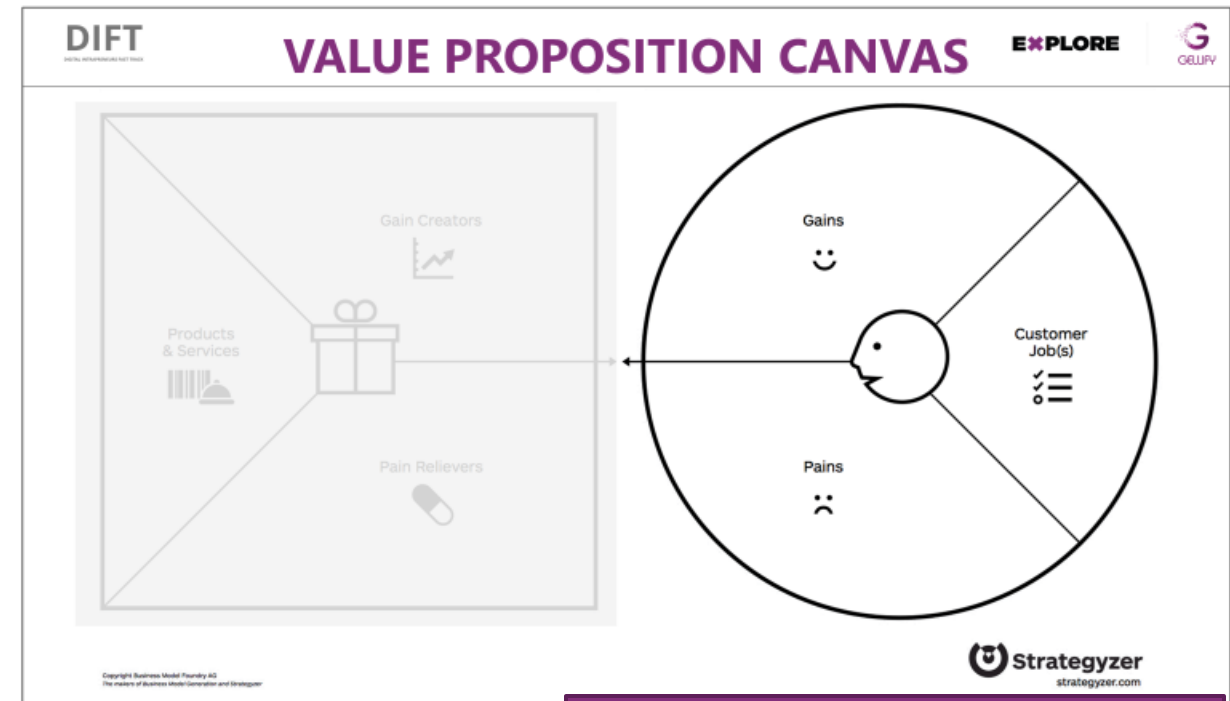
# Value Proposition Canvas

## THE CUSTOMER CANVAS

The value proposition canvas is divided into two areas: Product Canvas and Customer Canvas.

On the right side, the **customer canvas** aims to paint a detailed picture about our users. First, we'll look at their Jobs To Be Done (customer jobs), which define the customer's goals and actions.

Secondly, we'll look at the Gains & Pains – the positive and negative states our customers want to attain/avoid.



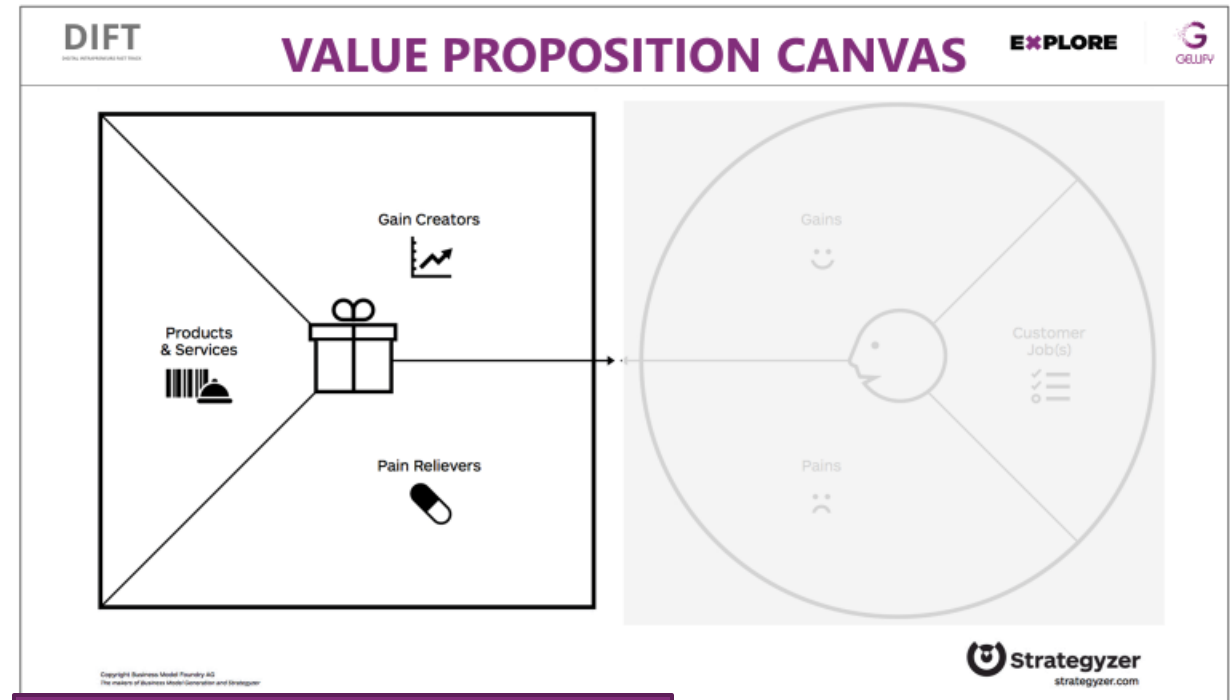
The customer canvas

# Value Proposition Canvas

## THE PRODUCT CANVAS

On the left side, the product canvas helps us **describe our products or services**.

Through the pain and then the gain areas we should highlight what are specifically the pains our product or service solve or the gains it allow the customer to achieve.



The product canvas

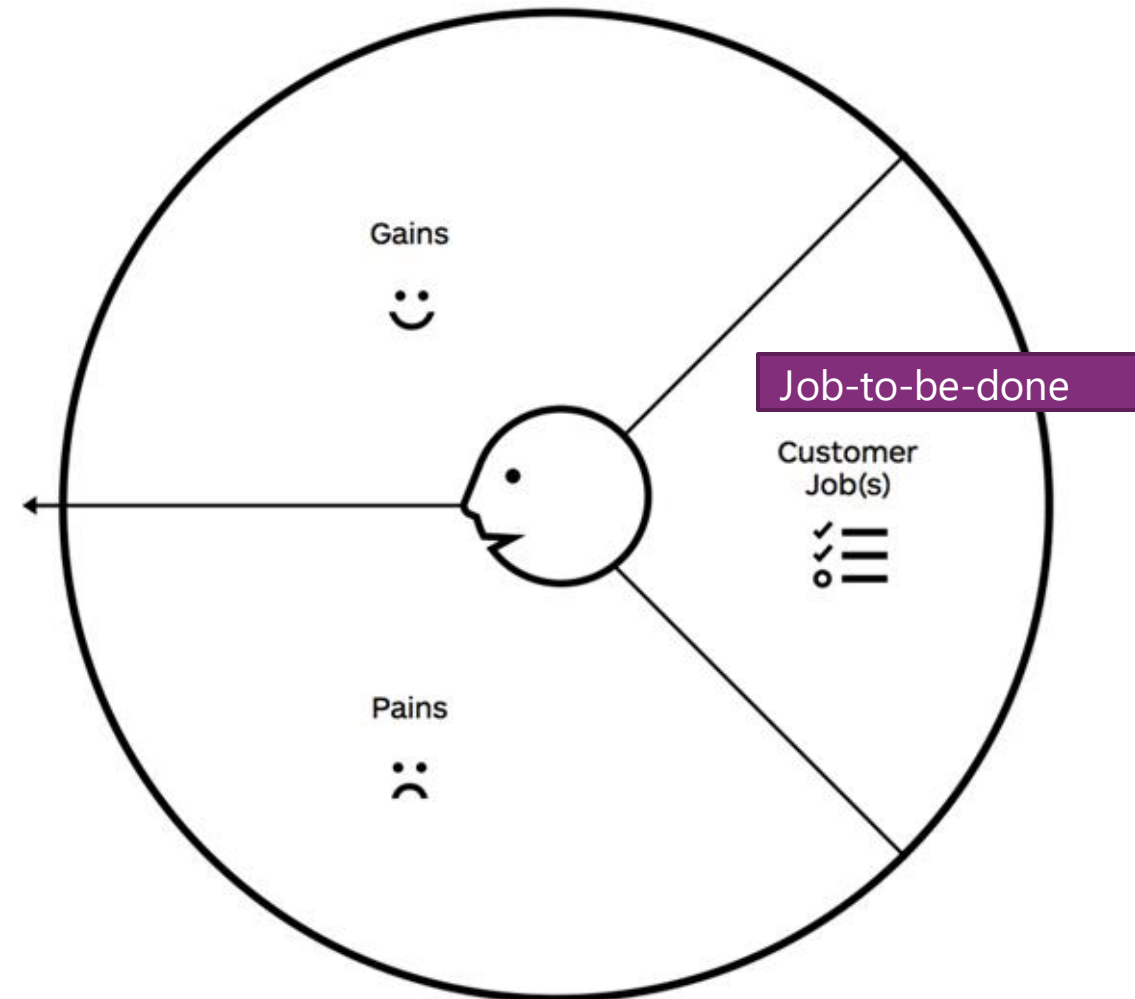
# Value Proposition Canvas

## FOCUS: THE CUSTOMER CANVAS

### JOB-TO-BE-DONE

Here we look at three types of jobs the customer is supposed to perform while using our product/service: Functional, Social and Emotional

- **Functional jobs** are practical considerations, usually quite mundane and straightforward.
- **Social jobs** are driven by a sense of duty, optimism, fear or aspiration – the things we feel we must do as part of our role in relationships and society.
- **Emotional jobs** come from our preferences, likes and dislikes, insecurities and indulgences.



# Value Proposition Canvas

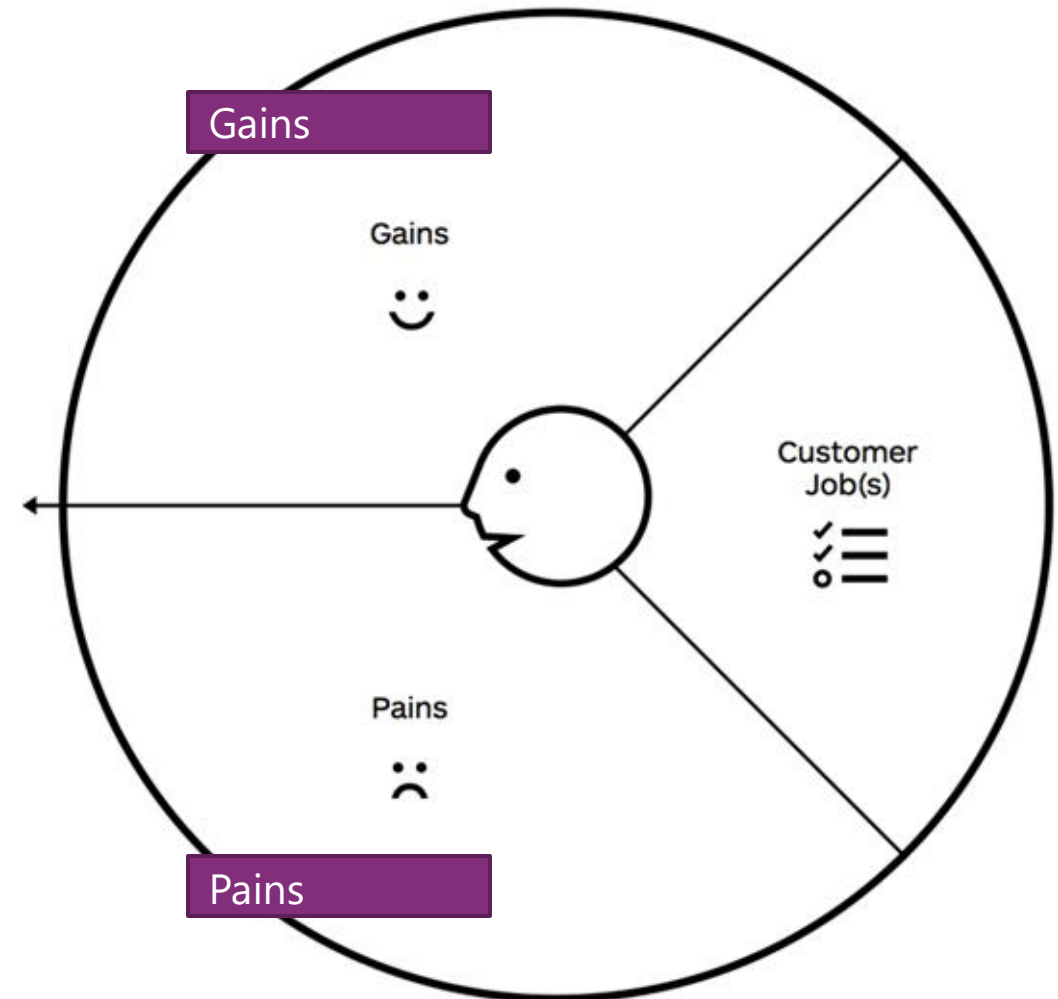
## FOCUS: THE CUSTOMER CANVAS

### GAINS & PAINS

Now we're looking to understand the preferences and attitudes that shape our customers decisions.

We don't have to agree with them, we just map what they are today.

Now we're getting a clearer picture of our customers and their thought processes. It seems that they don't have a particular product or service in mind, but rather a series of principles that guide their decision making

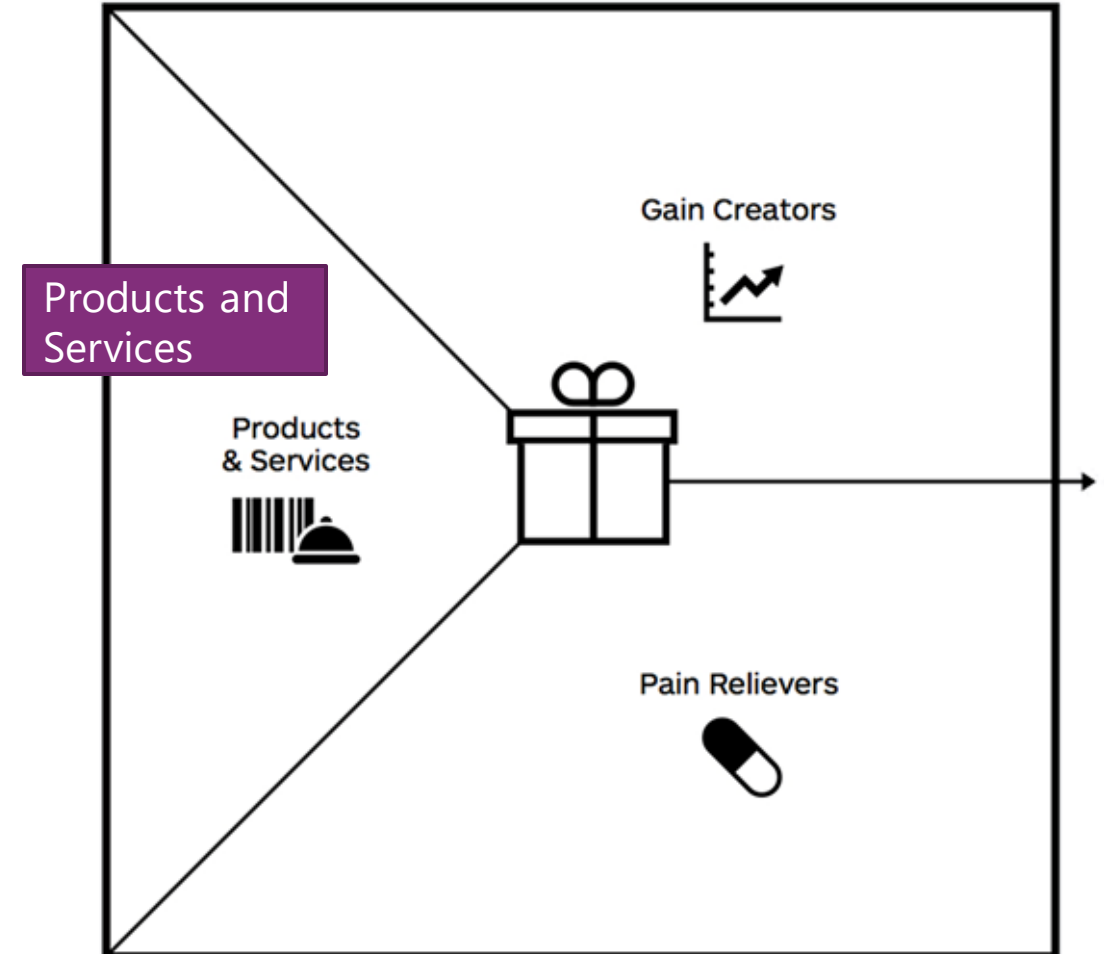


# Value Proposition Canvas

## FOCUS: THE PRODUCT CANVAS

### PRODUCT & SERVICES

This is the place to list all the things that we're literally offering in our solution – for example when car companies talk about airbags, leather seats and extended warranties.

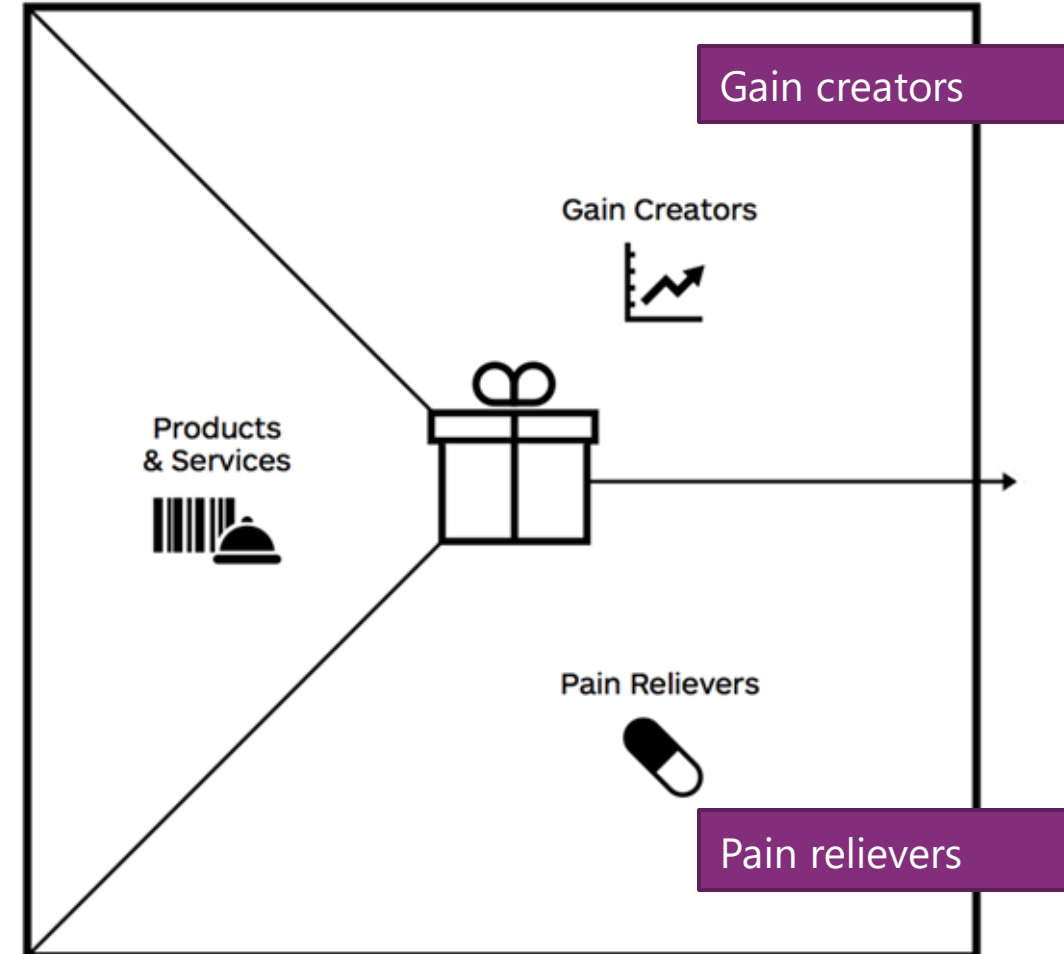


# Value Proposition Canvas

## FOCUS: THE PRODUCT CANVAS

### GAIN CREATORS & PAIN RELIEVERS

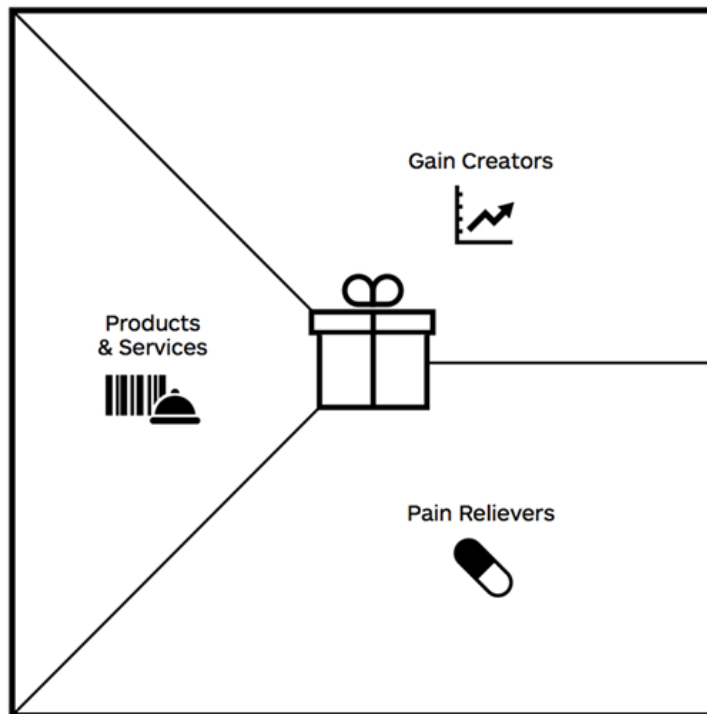
The question is – so what?  
 Why do these features mean anything?  
 We need to frame them as being valuable to our customer, either as Gain Creators that offer them something new, or as Pain Relievers that remove a current frustration.



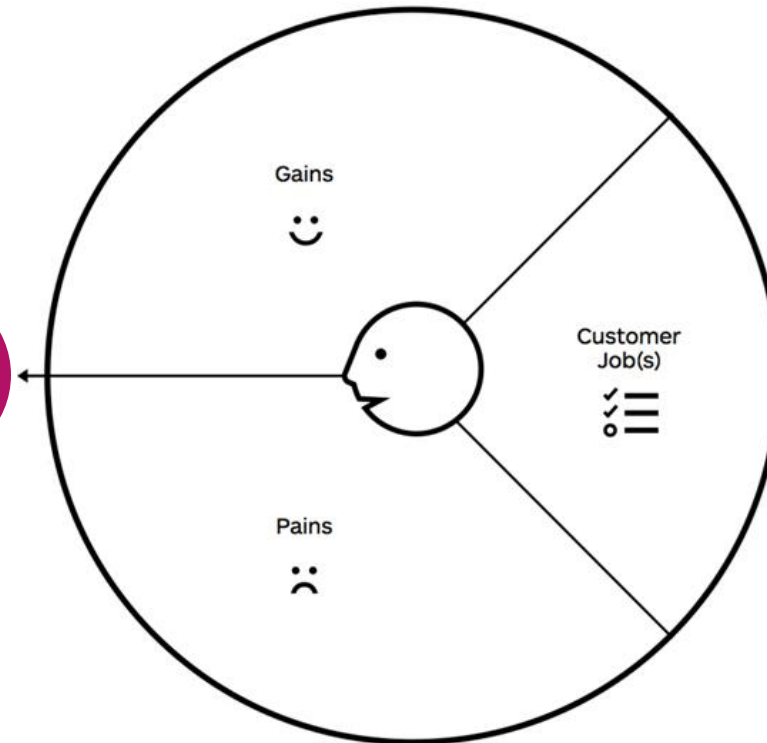
# Value Proposition Canvas

You achieve fit when your Product Canvas meets your Customer Canvas — that is, when your **products and services produce pain relievers and gain creators that match one or more of the jobs, pains, and gains that are important to your customer.**

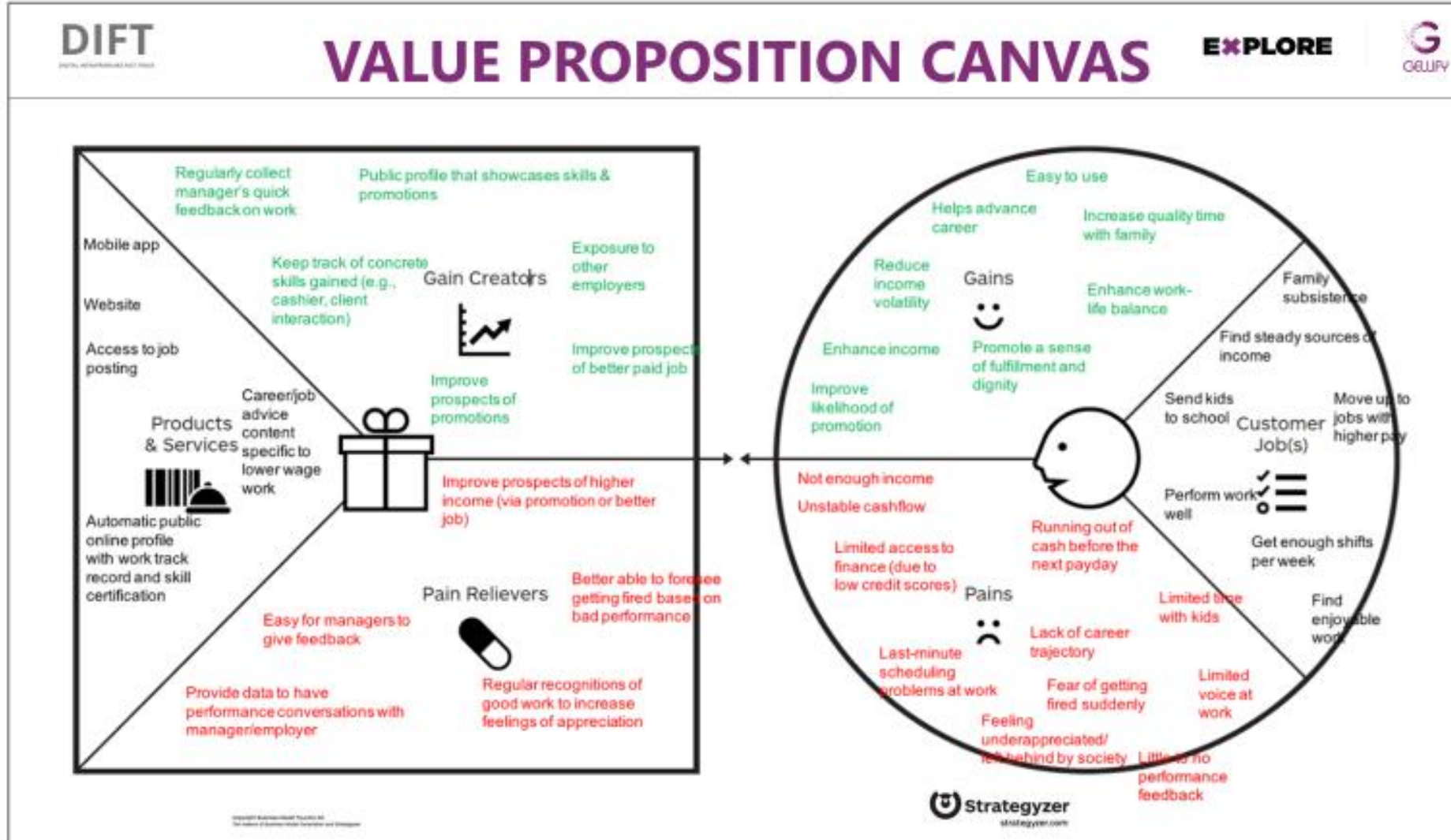
The Product Canvas breaks your value proposition down into product/service features, pain relievers and gain creators.



**FIT**  
?



The Customer Canvas breaks customer down into jobs, pains and gains.

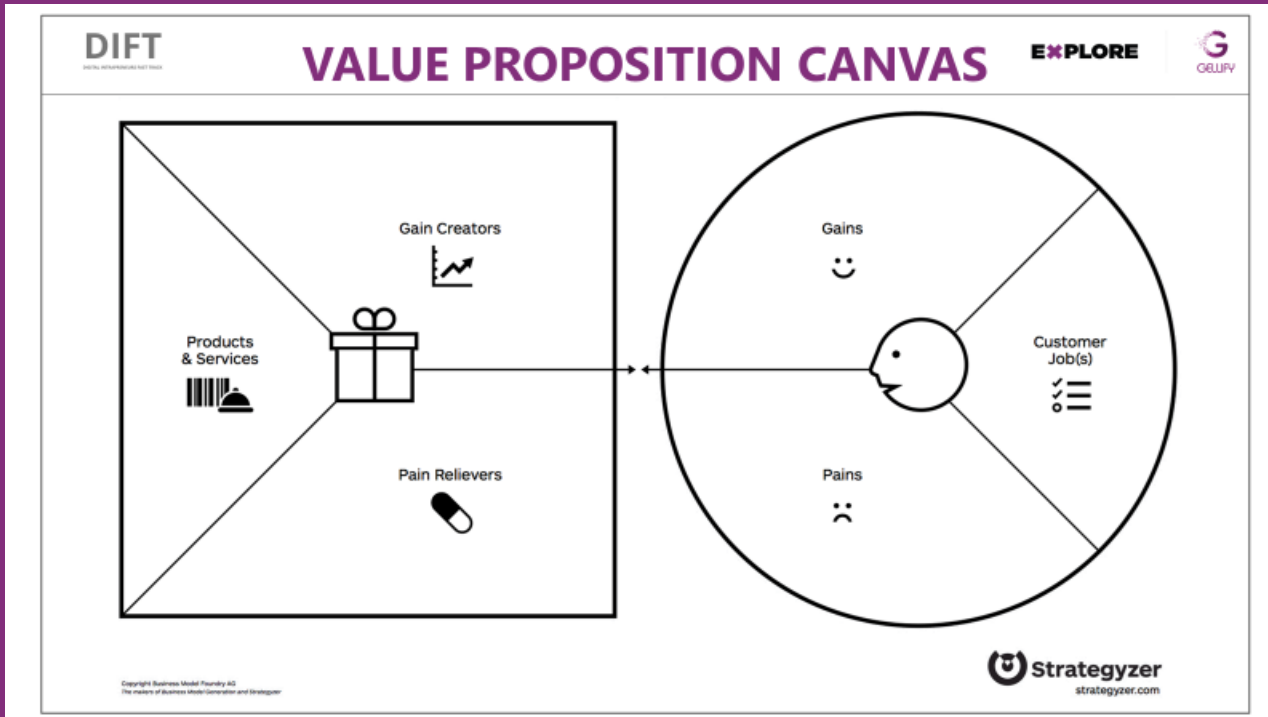


# Next steps & offline activities

ACTIVITY OFFLINE

# Value Proposition Canvas

## 1 week



### Complete the Value Proposition canvas:

- Brainstorm about which customer segment to address first
- Be always objective and honest about your product
- Be always open to listen to customers

# Hints and tips

## DO NOT MIX SEGMENTS

When building Customer Canvas, avoid to mix different customer segments into one profile. Instead consider the creation of **different canvases for different segments**.

## DO NOT FORCE FIT

Fit between Customer and Product Canvas is very difficult to obtain. So do not try to “adjust” results in order to get what you think might be the best result – instead just listen and observe what customers say and what your product/service is objectively able to provide them.

**Striving for fit is the essence of value proposition design.**

## VALUE DEFINITION IS UP TO THE CUSTOMER

Remember that products and services don't create value in their selves. **Value is always relative to customers' jobs, pains, and gains.**

## MAKE CHOICES

Realize that great value propositions are about making choices regarding **which jobs, pains, and gains to address and which to forgo**. No value proposition addresses all of them. If your value map indicates so, it's probably because you're not being honest about all the jobs, pains, and gains that should be in your customer profile.

SESSION 2

# Value Proposition Design & Validation