



WE CONDENSE INNOVATION

DIFT

DIGITAL INTRAPRENEURS FAST TRACK

EXPLORE



SESSION 2

Value Proposition Design & Validation

Introduction to GOOB (Get Out Of the Building)

**So now you need to validate your
Product/Service value proposition...**

What do they have in common?

**NEW COKE
(1985)**



**XBOX KINECT
(2017)**



**BLACKBERRY STORM
(2010)**



They all failed to intercept customer needs!

NEW COKE (1985)



The new Coca Cola drink, with a new taste that consumers never asked for. Launched in 1985, withdrawn from the market after just 79 days and huge consumer complaints.

XBOX KINECT (2010)



Launched in 2010 as an accessory for the Xbox gaming console, capable of substituting the joypad with player's body. Highest level technology that never gained traction, since too much disrupting for traditional "sit-down" game mechanics.

BLACKBERRY STORM (2010)



The infamous BB smartphone with "clickable" screen. A definitely useless feature, creating no actual added value in the UX, causing instead increased production costs and high pricing.

What do these fails show us?

LESSONS LEARNED

- Validating a new Value Proposition means getting to know your customers, their needs, how they use products and services
- You need to **solve problems that customers care about** (and are willing to pay for)
- Users do not desire products – **they desire to accomplish an outcome**: do less work, get a benefit, relieve a pain.

**So you just have to Get Out Of
the Building and do real
interviews with real users**

Deep dive into GOOB (Get Out Of the Building)

GOOB: what is it?

The right approach to start with

Most start-ups and new business projects focus their initial efforts on the wrong place: they look at selling products that they've thought of, to a market that they believe exists. But, is this really so?

A better approach, instead, is that of Getting Out Of the Building, meaning **engage with customer research first**, meeting with potential clients, trying to understand their problems, behaviors, **gains they wish to achieve** and **pains they would rather relieve**.

Once you understand customer problems, you can design products and services that are truly meaningful.

GOOB: who is involved?

Everyone on the team

Who should get out of the building? Suggestion: everyone on the team.

Not just sales reps, but also marketers, developers and all those people involved in the product development stage – they all need to meet potential customers and understand their problems, each one through its own point of view.



GOOB: why is important?

The only way to validate Value Proposition

Do not forget: Value Proposition is at the foundation of your project, the most relevant element of the business model, the basement assumption of the business plan.

That is why validation is so critical: **you cannot start selling a product/service if you have not validated the assumptions behind its Value Proposition.**

How to validate the Value Proposition by GOOB

Customer listening

METHODOLOGIES

In order to have a consistent overview of our users, we could gather information by approaching them in different ways. Here follow a few examples of what you can plan to do with your team:

- **Surveys**, to be sent to users, usually via online tools, must be well designed before submission.
- **Interviews**, face-to-face with selected users, might be open or structured, useful for getting that human touch you only get through direct interactions.
- **Focus groups**, involving 5-10 users to be engaged in guided experiences and questions.
- **User observation**, while she/he performs specific actions within typical contexts of use.
- **Experiments/Simulations**, the team itself simulates user behaviors in given contexts in order to understand implications.
- **Analytics**, when available, useful to analyse how users behave while actually using the product/service online.

Focus on Qualitative Interviews

PURPOSES

The purpose of the qualitative interview is to understand how the subjects studied see [the world] and make sense of it, how they use language and express judgements, to capture the complexity of their individual perceptions and experiences, in order to identify behavioral drivers

The priority objective of a qualitative interview is to provide a framework within which the respondents can express their own way of feeling with their own words

[M. Patton, 1990, "Qualitative evaluation and research methods" - pp290].

Focus on Qualitative Interviews

WHY IS IT IMPORTANT

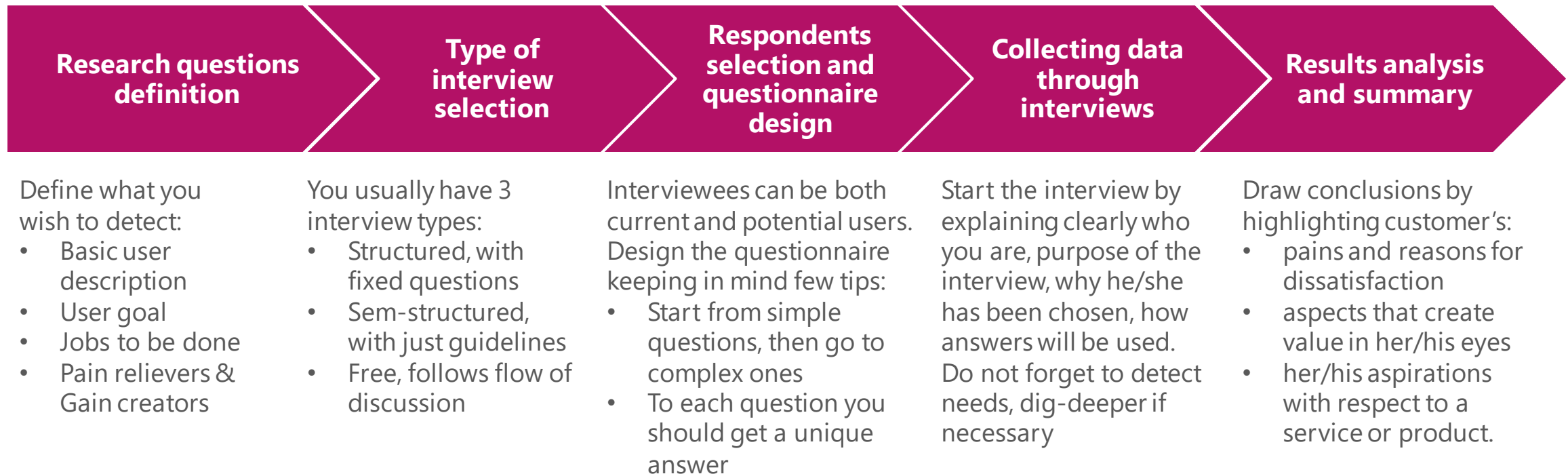
- *To learn more about the users of your solution;*
- *To better understand the type of activity that a person carries out;*
- *To collect users' needs, goals, motivations, aspirations and then propose solutions tailored to their problems;*
- ***To verify your Product Value Proposition hypothesis actually meet users needs***

Remember to test customer behaviors, not customer opinions.

Focus on Qualitative Interviews

HOW IT WORKS

A structured end-to-end process made of 5 steps:



Next steps & offline activities

TOOL: PROBLEM STATEMENT

DIFT **PROBLEM STATEMENT** **EXPLORE** **G**
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1 VISION
What does the world would look like if we solve the problem?

2 The current state of the domain

3 has focused primarily on customer segments, pain points, etc...

4 What existing products/services fail to address is gap

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Problem statement

Problem framing, in the context of Value Proposition design, means getting to a clear **PROBLEM STATEMENT** that you aim to solve through your product/service.

This is a good tool to **complement all the analysis carried out for the Value Proposition Canvas (and possible GOOB activities)**.

The Problem Statement Canvas is made of 4 boxes:

1. Vision (what does the world would like if you solve the problem thanks to your new product/service)
2. The domain (for example the sector, the situation, or the category of your product/service)
3. Current solutions already on the market
4. Gaps not covered by existing solutions

TOOL: PROBLEM STATEMENT - IN ACTION

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PROBLEM STATEMENT

VISION
What does the world would look like if we solve the problem?

Travel & Lodging expenses are easy to manage. As an employee, purchasing online things and services to be used for a project is now easy and frictionless.

The current state of the *domain* **Credit Card market**

has focused primarily on *customer segments, pain points, etc...* **Consumers**

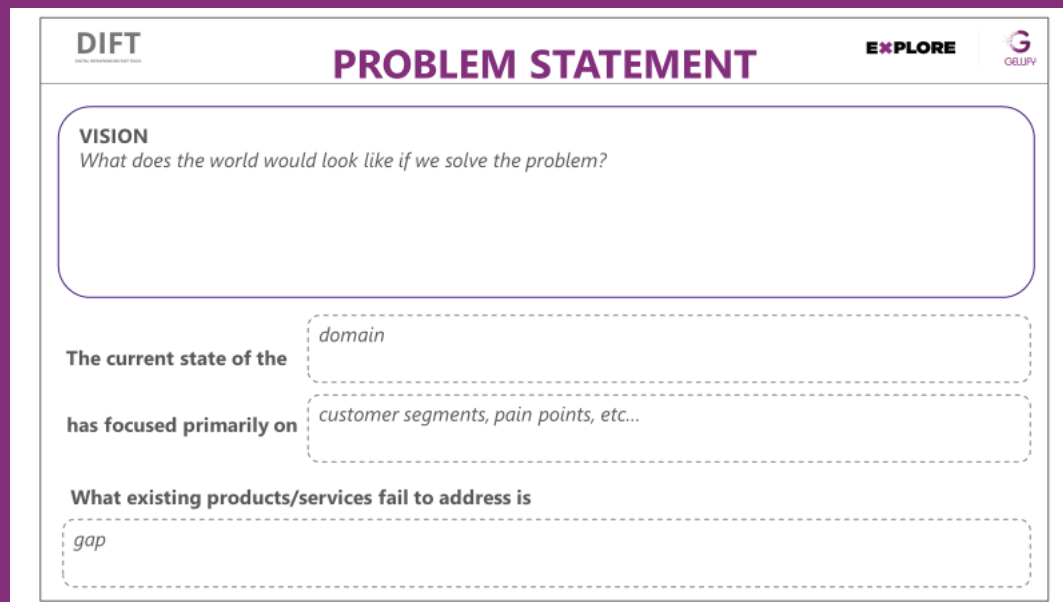
What existing products/services fail to address is

gap **Solutions for corporates assigning credit cards to employees for expenses**

ACTIVITY OFFLINE

Problem Statement

1 week



The image shows a 'Problem Statement' canvas form. At the top left is the DIFT logo, and at the top right are the EXPLORE and GELLIFY logos. The title 'PROBLEM STATEMENT' is centered at the top. The form is divided into three main sections, each with a dashed border for input. The first section is 'VISION' with the prompt 'What does the world would look like if we solve the problem?'. The second section is 'The current state of the' followed by a dashed box containing the word 'domain', and 'has focused primarily on' followed by a dashed box containing the text 'customer segments, pain points, etc...'. The third section is 'What existing products/services fail to address is' followed by a dashed box containing the word 'gap'.

Complete the Problem Statement canvas:

- Brainstorm about the Vision first
- Identify the industry/category/product domain in which you intend to play
- Make sure that current solutions do not address problems or needs you aim to solve (possible GOOB interviews might have told you that)

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