

Using the Value Proposition Canvas

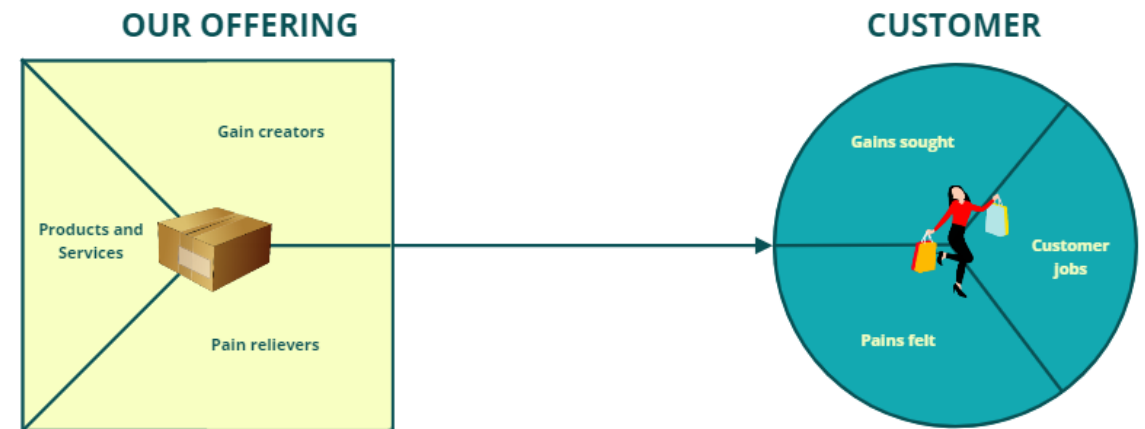
A short guide to applying the technique



What is the Value Proposition Canvas?

The Value Proposition Canvas is a visual technique for exploring customer wants and needs, and for identifying product or service features that will effectively meet these.

It can be used in collaborative workshops to generate new ideas, identify opportunities, or to address gaps in existing offerings.



The value proposition canvas, created by Alex Osterwalder

Why use the Value Proposition Canvas?

Using the Value Proposition Canvas unlocks all these benefits:

Provides a place to build a shared understanding among stakeholders!

Explicitly matches features to customer wants and needs – leading to more valuable offerings!

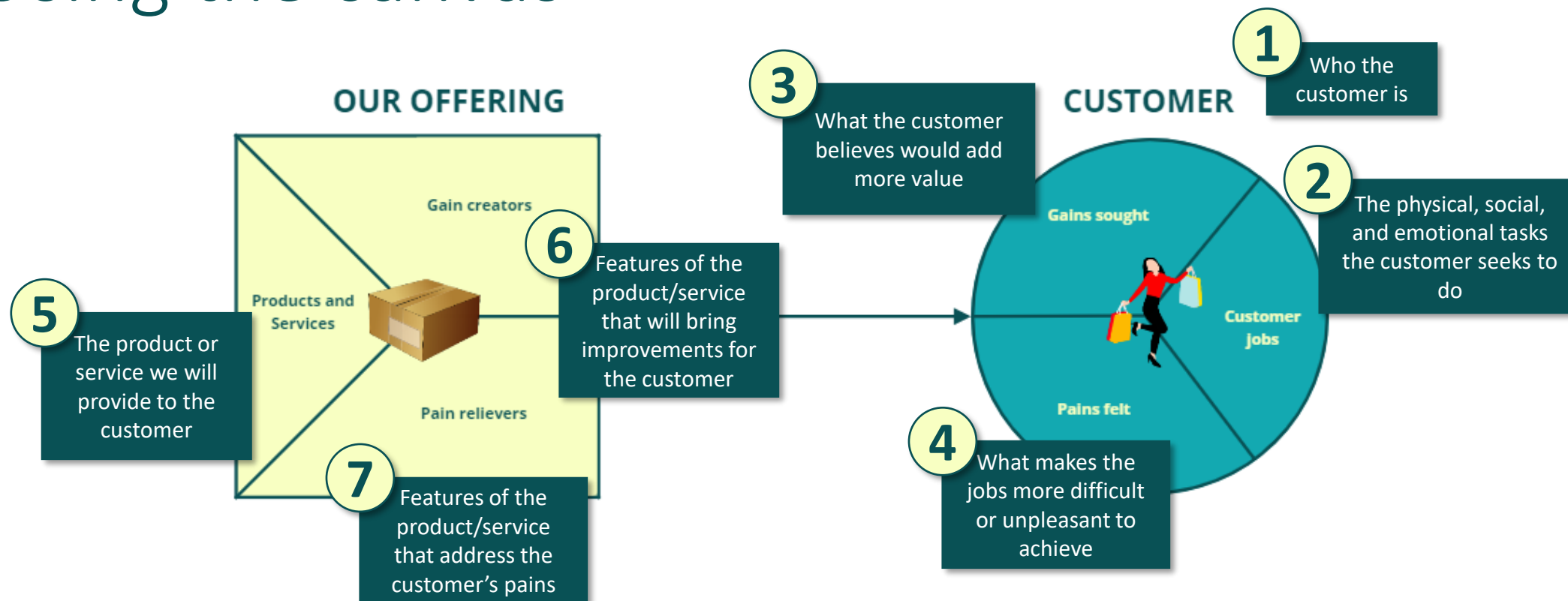
Prioritises customer pains and gains sought, helping you maximise offered value!

Considers customer needs from practical, emotional, and social perspectives!

Provides a standardized way of comparing different product/service offerings!

Filters out irrelevant features that won't offer value to customers!

Using the canvas



In a workshop environment, sketch out the canvas model. Working through each section, add notes or comments to the canvas as your group generates ideas or insights.



Identify your customers

Correctly identifying your customers is essential!

Begin by thinking about different customer groups or categories; these may have specific wants and needs to be addressed. Are there some types of customer you really need to focus on? Do these have something in common?

You can create a separate Value Proposition Canvas for each customer type.

MARY

ABOUT ME
Role / Attributes / Bio / Interests

GOALS + NEEDS
Describe my aims. What would make me happy?

CHALLENGES
Describe the pain points and obstacles I face.

FEARS + OBJECTIONS
What do I want to avoid?

QUOTES
What would I say?

Persona templates are a great way to explore different types of customer!

Identify your customer's jobs

A customer's "jobs" are their tasks, needs, or aims. There are different types of jobs to consider:

PHYSICAL JOBS

The practical things the customer wants to get done or to achieve.



I want to withdraw some money.

EMOTIONAL JOBS

How the customer wants to feel or to see themselves.



I want to feel in control.

SOCIAL JOBS

How the customer wants to be positioned in relation to others, or to be perceived by others.



I want our business to be seen as trustworthy

Explore pains felt and gains sought

For each job, think about what makes it difficult or unpleasant to achieve, and what “better” might look like.



You can rank these pains and gains to determine the most important issues to address.

Consider how often a problem arises, how much time or effort is required, or what might delight the customer.



Identify product/service features

Use ideation techniques to find the features of your product or service that will help your customer fulfil their jobs (or remove the need for the job entirely!).

Starting with the highest-priority pains and gains, consider how these can be addressed by features of the product or service.

Think about functional uses, as well as quality, pricing, novelty, and choice.

Be sure to begin with *divergent* thinking first to generate lots of ideas before applying *convergent* thinking to select the best or more feasible ones. Get creative!

Great techniques for generating ideas:

- Brainstorming
- Round-robin
- Mind-mapping
- SCAMPER
- Brainwriting
- Storyboarding
- Reverse-thinking
- Roleplaying
- 'What-if'
- Wishing
- Prototyping
- Postcard from the future

Next steps

Identifying the product/service features that will meet your customer's wants and needs is just the beginning.

There are many more things to consider, so further analysis is essential!

PRODUCT/SERVICE DESIGN

- *What's in the detail?*
- *What needs are we NOT meeting?*
- *What's needed to create the product/service?*
- *How will it be supported? By whom?*
- *Can we develop iteratively?*

COMPETITIVE ADVANTAGE

- *Is it new?*
- *Can you bring it to market quickly?*
- *How will you reach customers?*
- *Can competitors offer the same thing?*
- *Will you compete on price or quality?*

STRATEGIC ALIGNMENT

- *Does this fit with the wider strategy?*
- *Does this fit with the organisation's values?*

FEASIBILITY

- *Are resources available?*
- *What will it cost to create, and will it be profitable?*
- *Is it sustainable?*

Don't forget to challenge assumptions and seek out evidence!