Based on

Value
Proposition-
Design

VALUE PROPOSITION CANVAS 101

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@esaif

VALUE PROPOSITION

Describes the <u>benefits</u> customers can expect from your products & services

PRODUCT / SERVICE   **CUSTOMER**

PRODUCT / SERVICE ❤ CUSTOMER

NOT EASY

#1 STARTUP MISTAKE

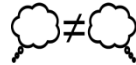## Building Something Nobody Wants

TOP 10
STARTUP MISTAKES

#1 Building something nobody wants
Score: 300
36% of Tot.

#2 Hiring Poorly
Score: 153
18% of Tot.

#3 Lack of Focus
Score: 112
13% of Tot.

Score: 98
12% of Tot.

#4 Fail to execute Sales & Marketing

#5

#6

#7

#8 **#9** **#10**

100
First Hits
www.100FirstHits.com

8. Spending Too Much Money **18 (2,1%)**

9. Failing To Ask For Help **12 (1,4%)**

10. Ignoring Social Media **6 (0,7%)**

5. Not Having The Right Co-Founders **66 (7,9%)**

6. Chasing Investors, Not Customers **45 (5,4%)**

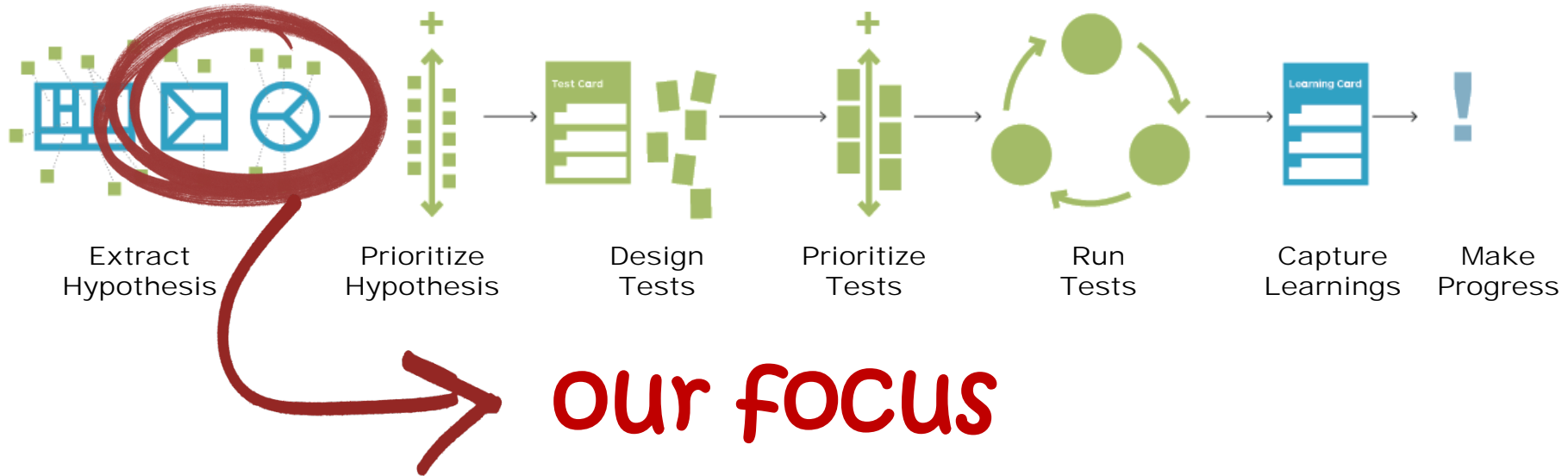7. Not Making Sure You Have Enough Money **28 (3,3%)**
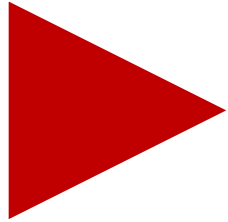
Need better approach for creating value for customers & lowering risk of failure!

VALUE PROPOSITION CANVAS

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

Value Proposition Design

strategyzer.com/vpd

Written by
Alex Osterwalder
Yves Pigneur
Greg Bernarda
Alan Smith

Designed by
Trish Papadakos

WILEY

Strategyzer
Series

Sequel to
Business Model Generation
International Bestseller
30+ Languages

Value Design Process

Extract Hypothesis — Prioritize Hypothesis — Design Tests — Prioritize Tests — Run Tests — Capture Learnings — Make Progress

OUR FOCUS

Value Proposition Canvas (VPC)

9 building blocks

Business Model Canvas

Key Partners	Key Activities	Value Proposition	Customer Relationships	Customer Segments
	Key Resources		**Channels**	

Cost Structure	Revenue Streams
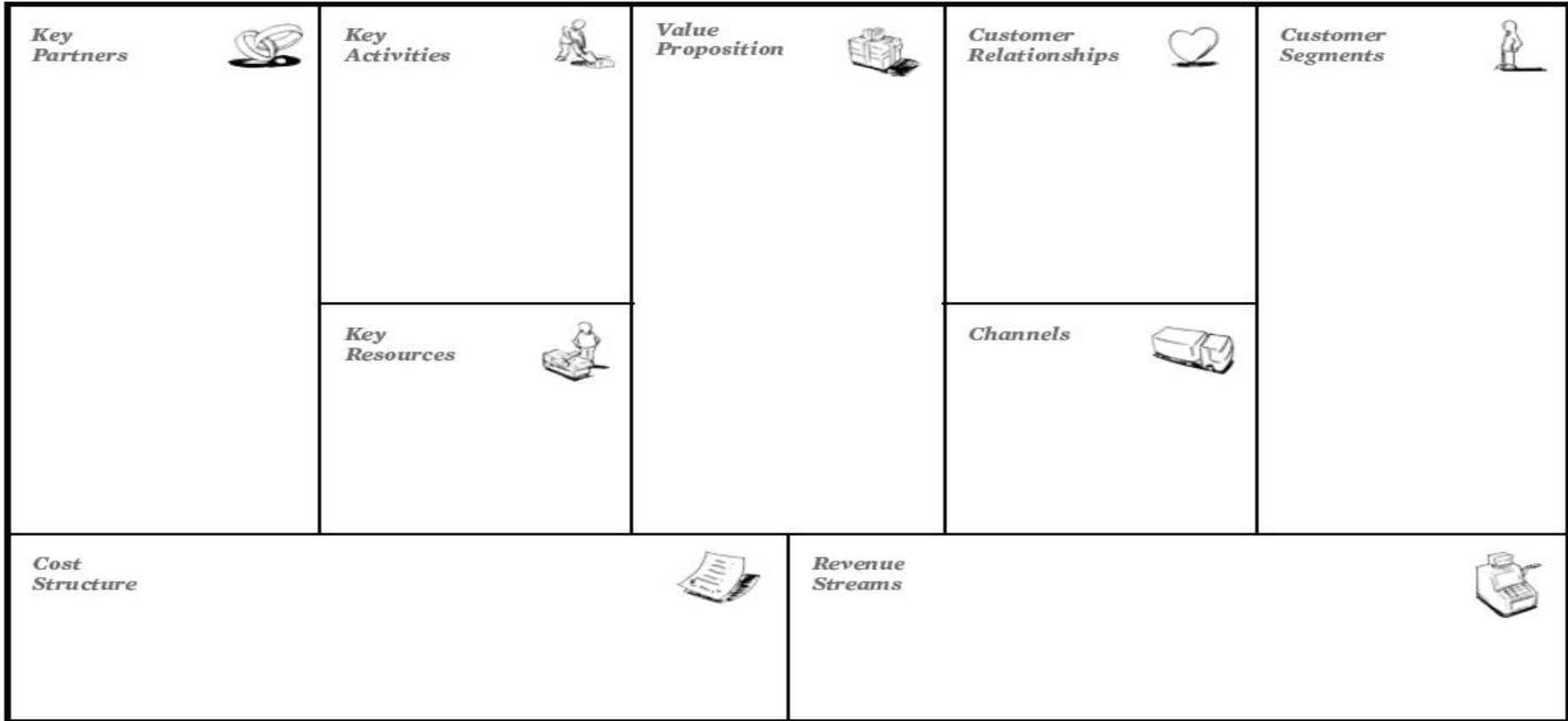
Business Model Canvas
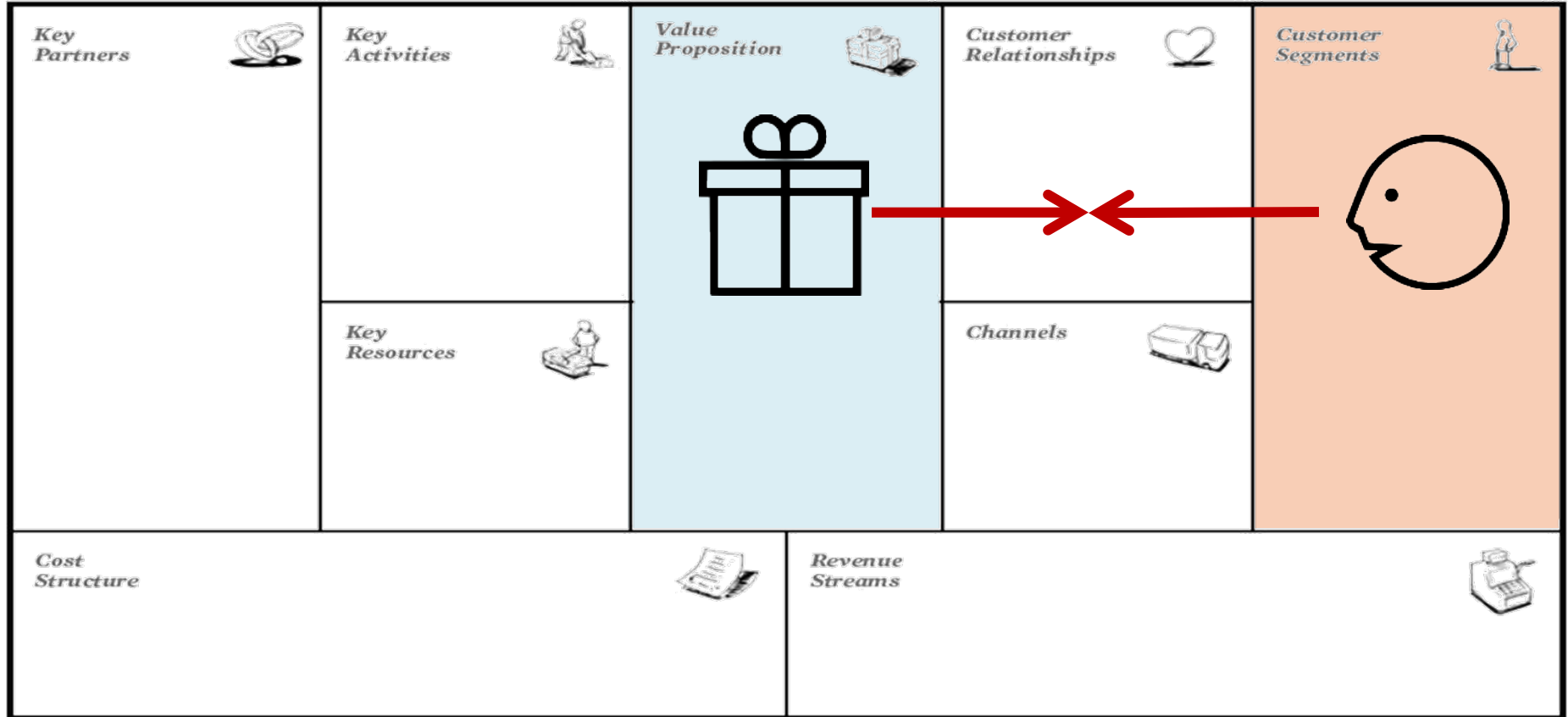
Value Map

Customer Profile

The set of value proposition **benefits** that you **design** to attract customers

The set of customer **characteristics** that you **assume**, **observe** and **verify** in the market

Value Proposition Canvas (VPC)

Value Map
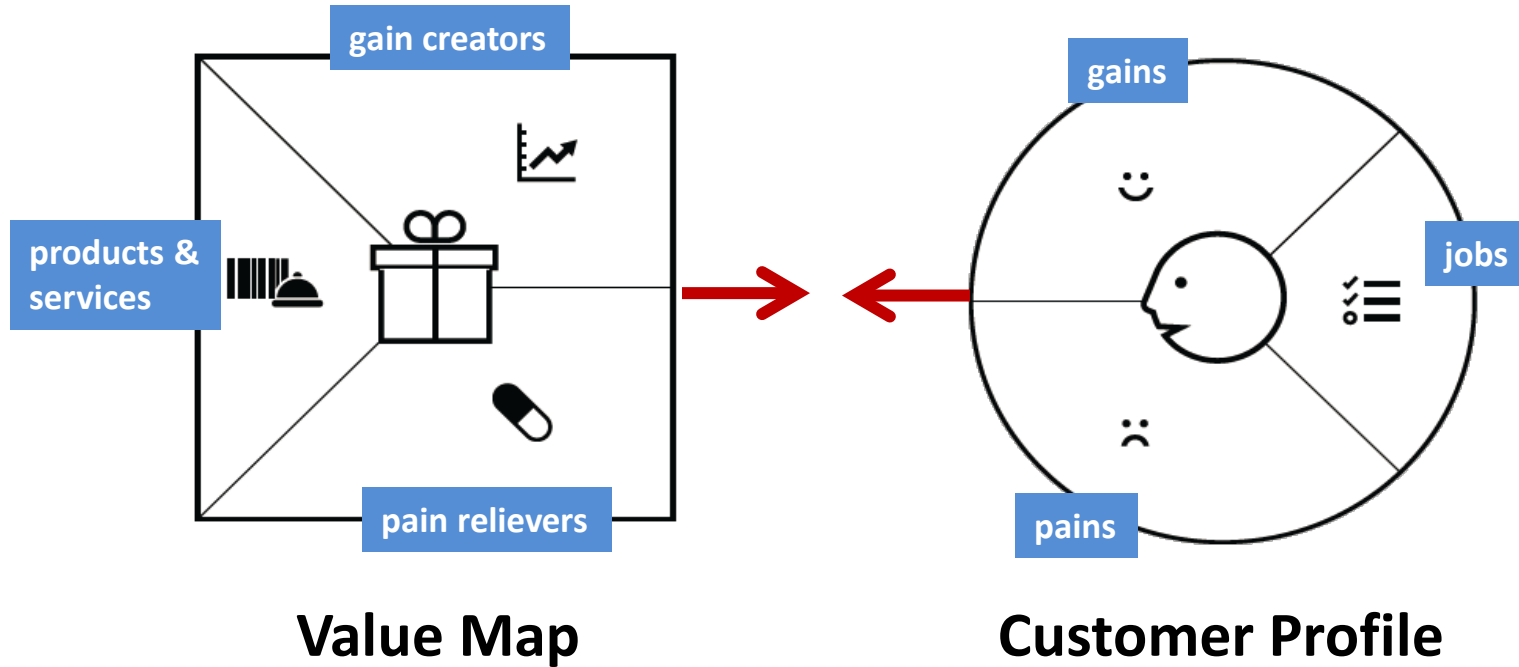
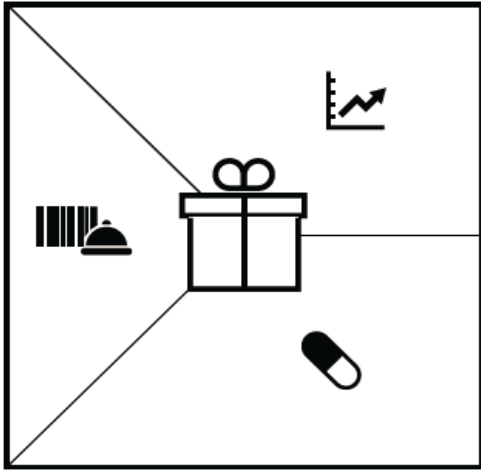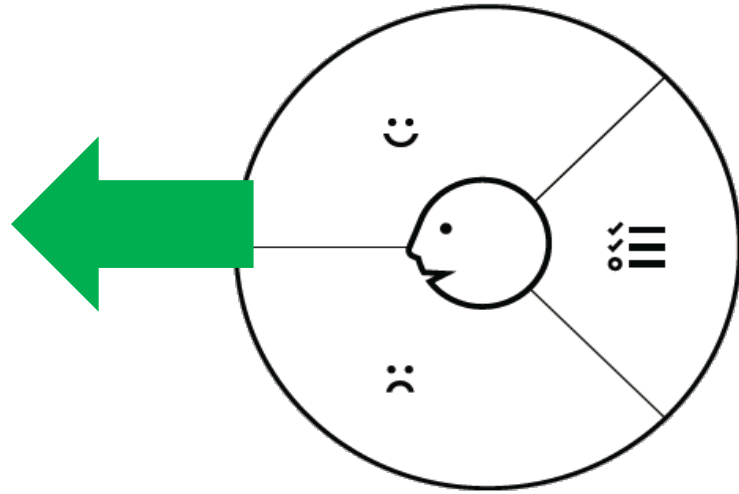**Customer Profile**

PRODUCT INSPIRED INNOVATION
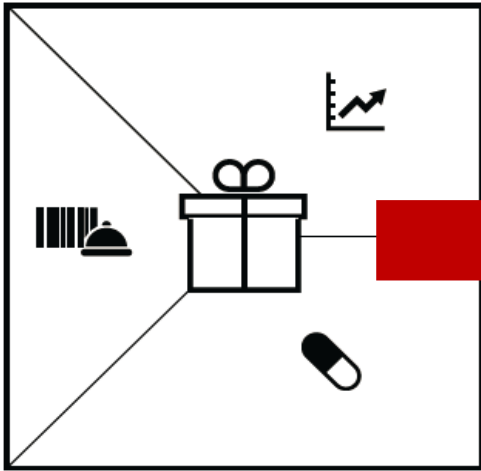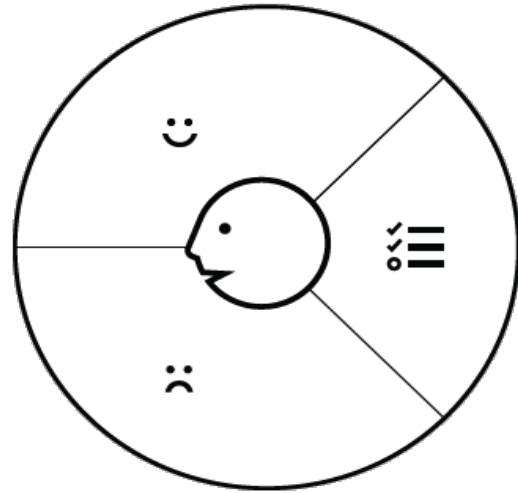
Value Map

Customer Profile

CUSTOMER INSPIRED INNOVATION

Value Map   **Customer Profile**

Customer Profile Overview

OBJECTIVE: Visualize what matters to your customers in a sharable format

OUTCOME: 1 page actionable customer profile
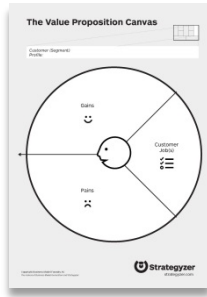
1

Download the Customer Profile Canvas
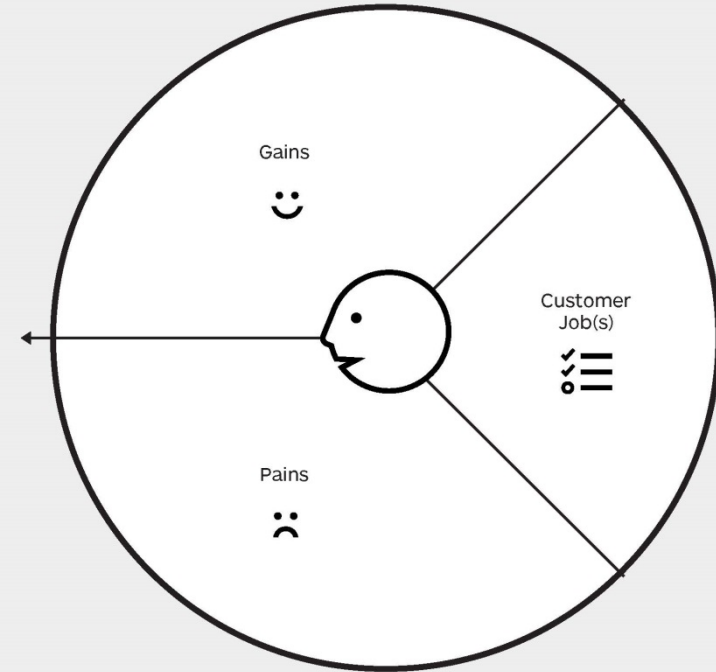

2

Grab a Set of Small Sticky Notes

3

Map Out Your Customer Profile

Choosing a Customer Segment

Customer Segment

Definition:

The groups of people or organizations who share similar characteristics that you aim to reach and create value for them

MARKET SEGMENTATION

DEMOGRAPHICS

- Age
- Gender
- Income
- Marital Status
- Ethnic Background

GEOGRAPHICS

- Local
- National
- Regional
- International

BEHAVIORAL

- Benefits
- Usage Rates
- Patterns

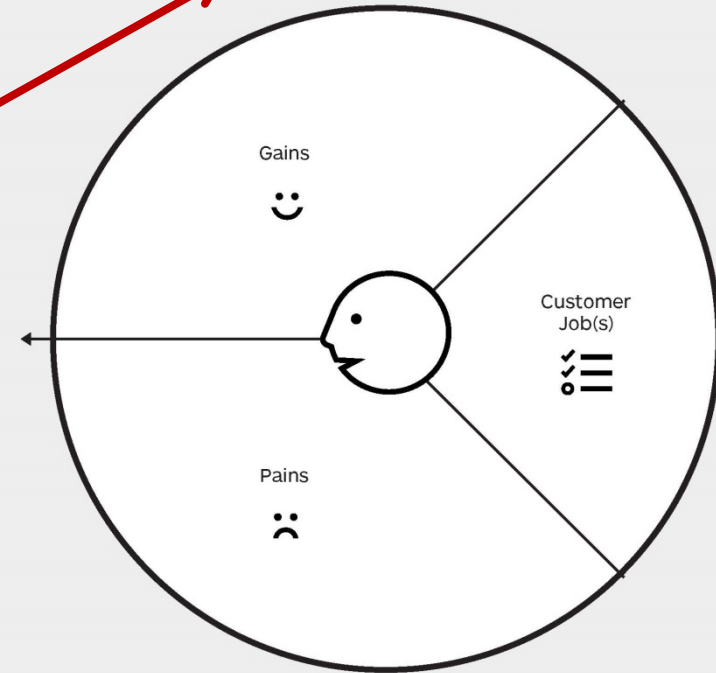## PSYCHPGRAPHICS

- Activities
- Personality & Values
- Attitudes

1. **Customer Segment**

Taxi Passengers in V

The Value Proposition Canvas

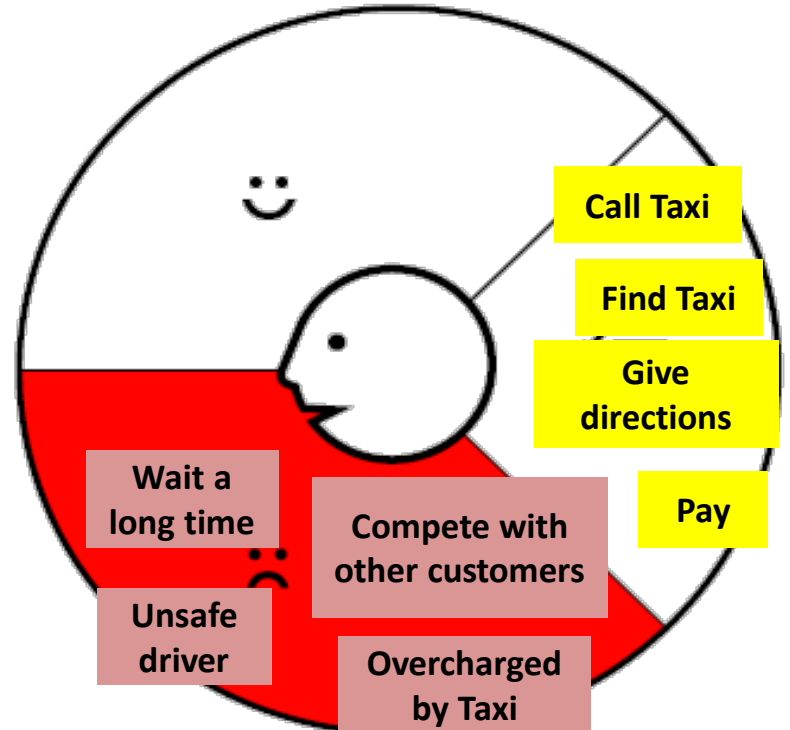Customer (Segment) Profile: **Taxi Passengers in Amman, Jordan**

Gains

Customer Job(s)

Pains

Copyright Business Model Foundry AG
The makers of Business Model Generation and Strategyzer
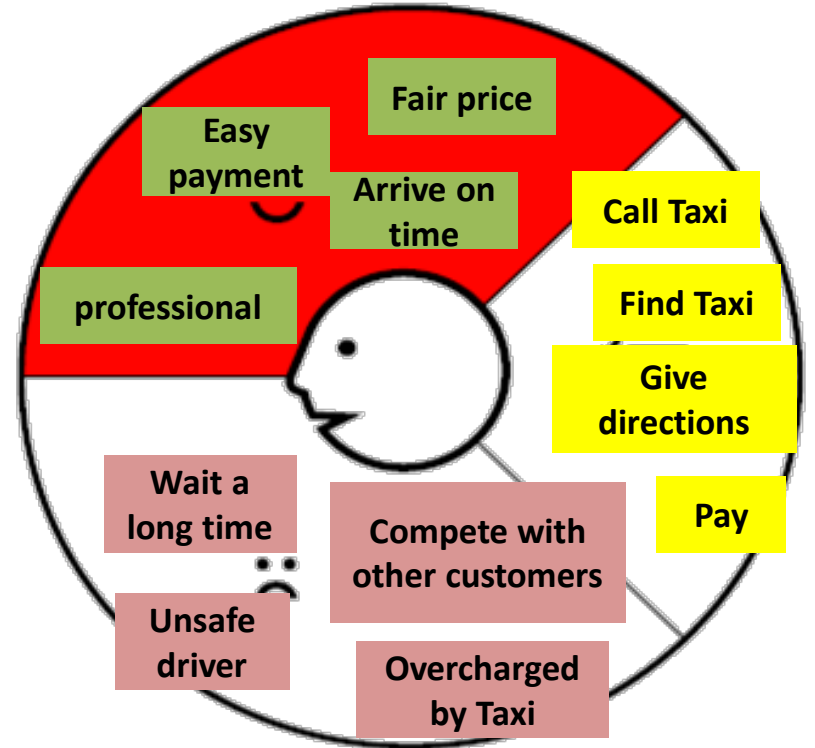
Strategyzer
strategyzer.com

2. **Customer Jobs**
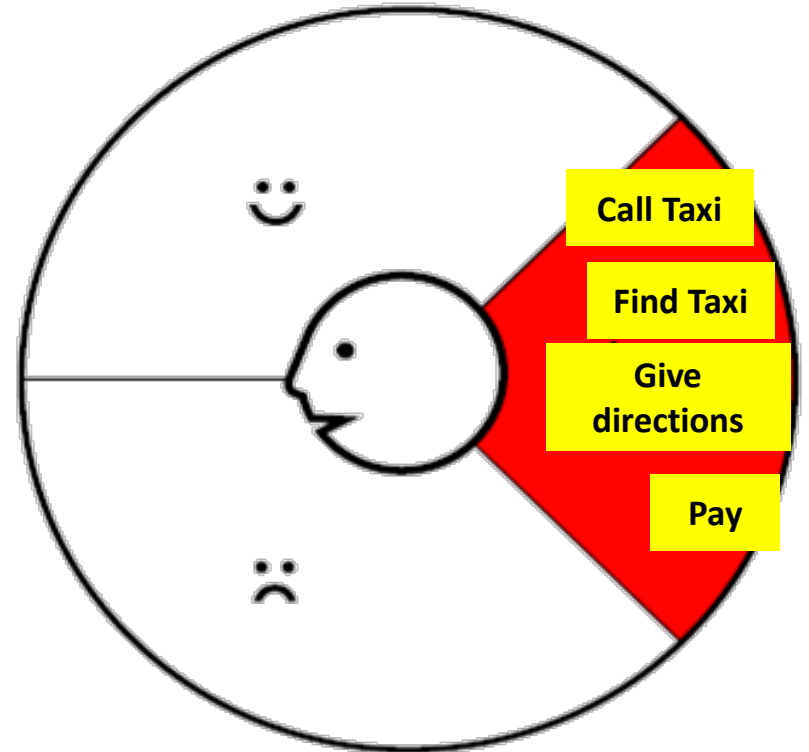
3. **Customer Pains**

What annoys the customer before, during & after getting job done
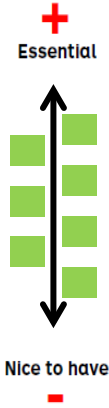
4. **Customer Gains**

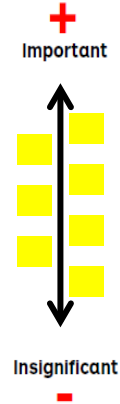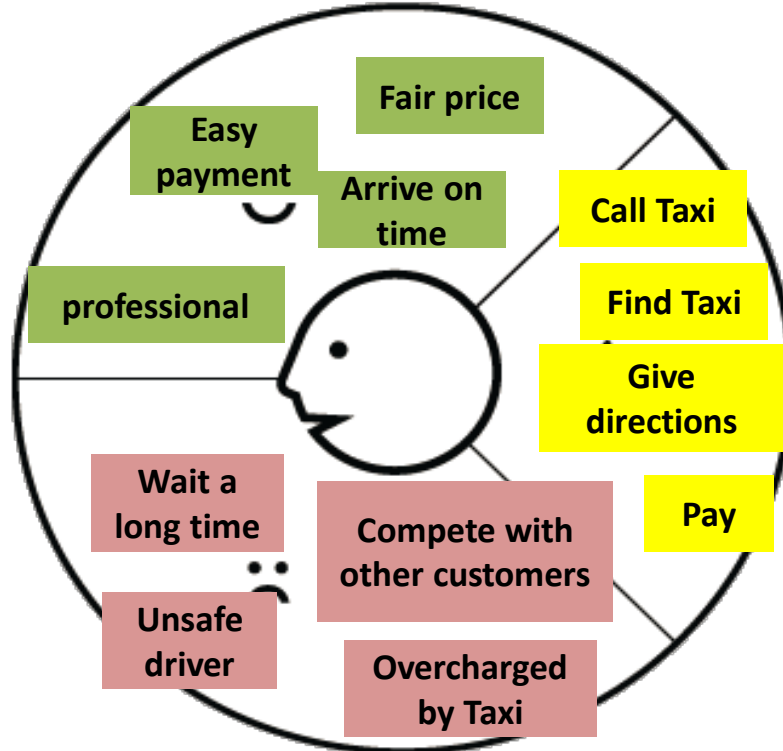What outcomes & benefits customers want?

5. Ranking

Gain relevance
Rank gains according to how essential they are in the customers' eyes.

+
Essential

Nice to have
-

Pain severity
Rank pains according to how extreme they are in the customers' eyes.

+
Extreme

Moderate
-

+
Important

Insignificant
-

Job importance
Rank jobs according to their importance to customers.

Fair price

Easy payment

Arrive on time

Call Taxi

professional

Find Taxi

Give directions

Wait a long time

Compete with other customers

Pay

Unsafe driver

Overcharged by Taxi

5. Ranking
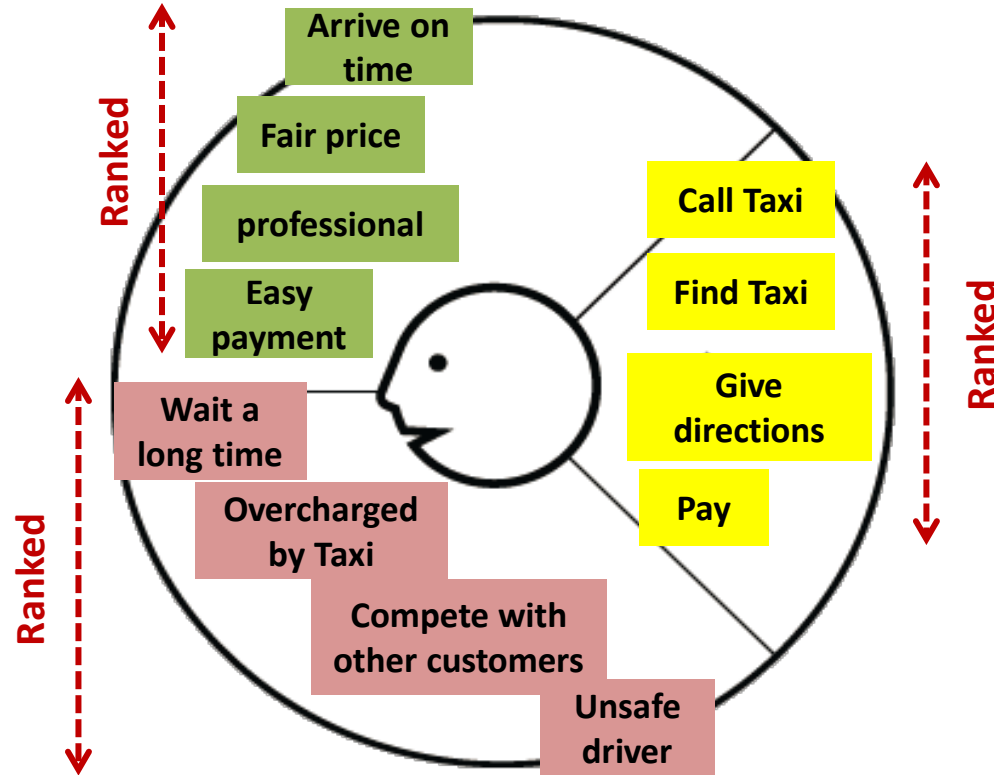
Customer Profile Summary

OBJECTIVE: Visualize what matters to your customers in a sharable format

OUTCOME: 1 page actionable customer profile

1
Select customer segment

2
Identify customer Jobs

3
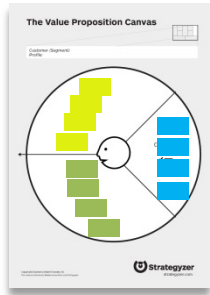Identify customer pains

4
Identify customer gains

5
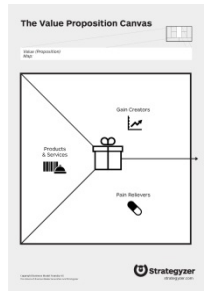Prioritize jobs, pains & gains

Value Map Overview

OBJECTIVE: Describe explicitly how your products and services create value

OUTCOME: 1 page map of value creation

1

Grab the Customer Profile you previously completed

2

Download the Value Map Canvas
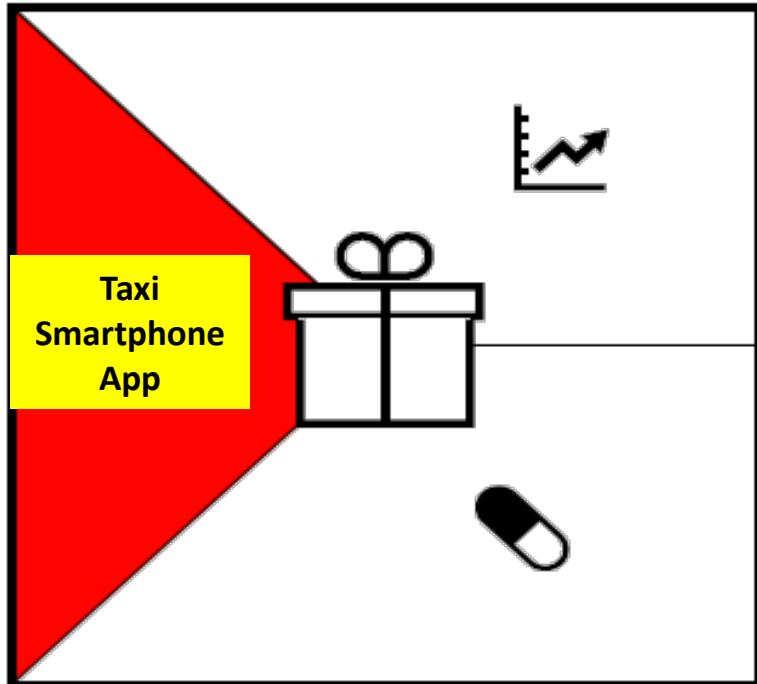

3

Grab a Set of Small Sticky Notes
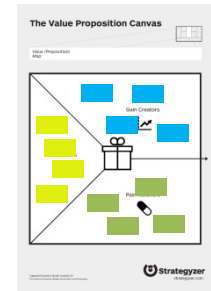
4

Map out how you create value for your customers

1. **Products & Services**

2. **Pain Relievers**

3. Gain Creators

Products & Services
Rank products & services from nice to have to essential

+
Essential

Nice to have
−

Pain Relievers
Rank pains from nice to have to essential

+
Essential

Nice to have
−

Gain Creators
Rank gains from nice to have to essential

+
Essential

Nice to have
−

Save Time

Professional drivers

Rating System

Visual Map

Taxi Smartphone App

No Cash

Instant booking

Assigned driver

Cost System

RANKED

Save Time

Professional drivers

Rating System

Visual Map

Taxi Smartphone App

Instant booking

Assigned driver

Cost System

No Cash
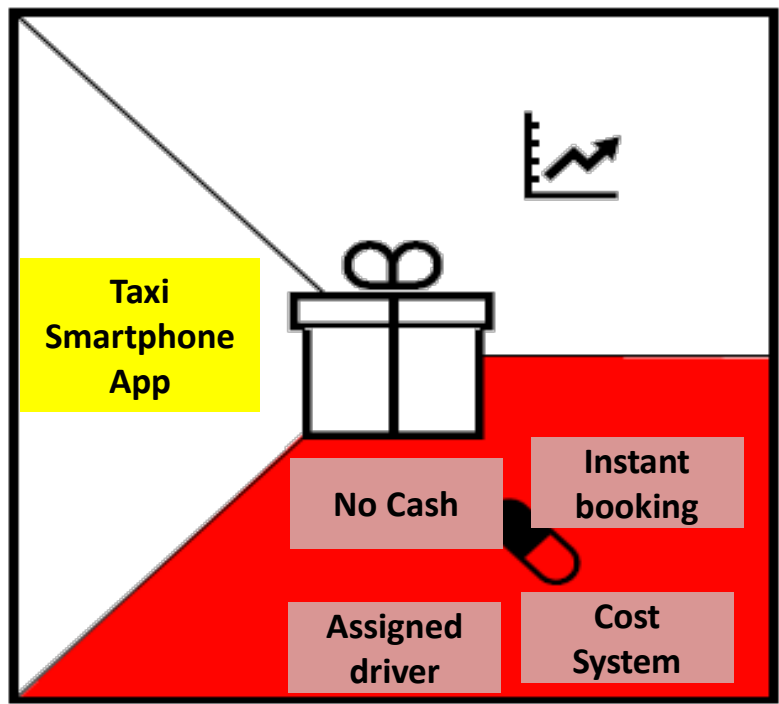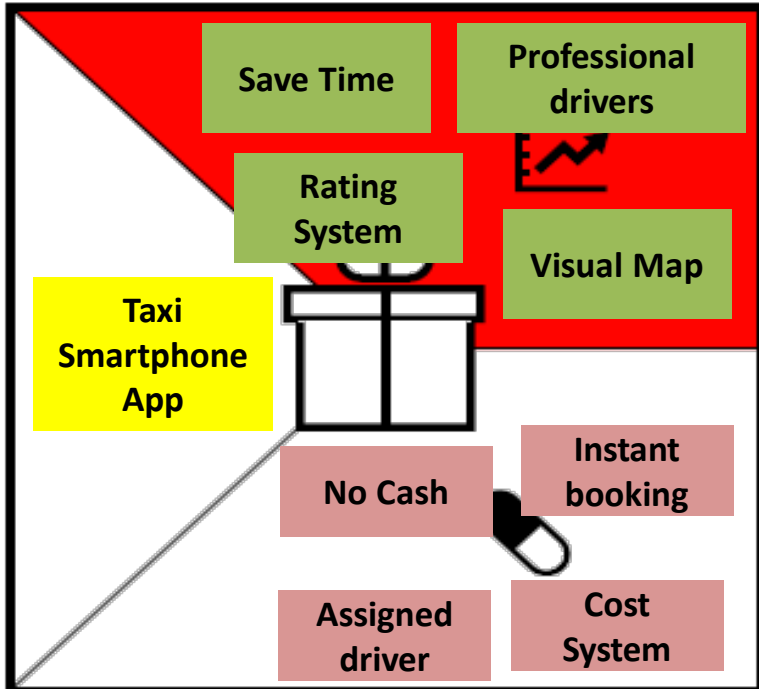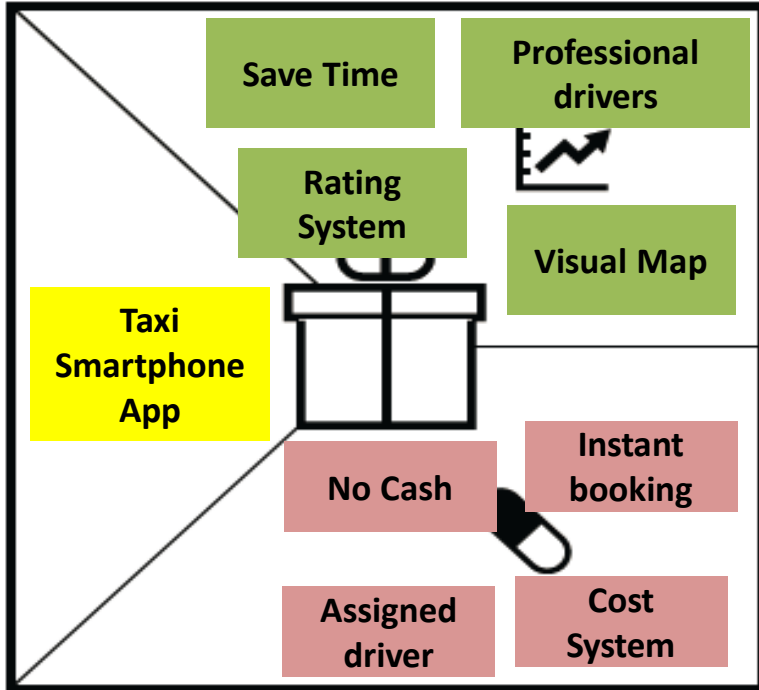
Products & Services
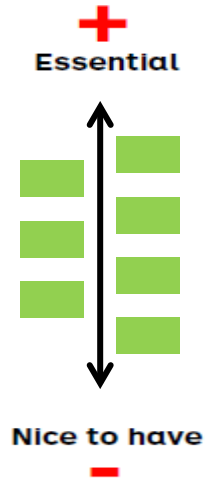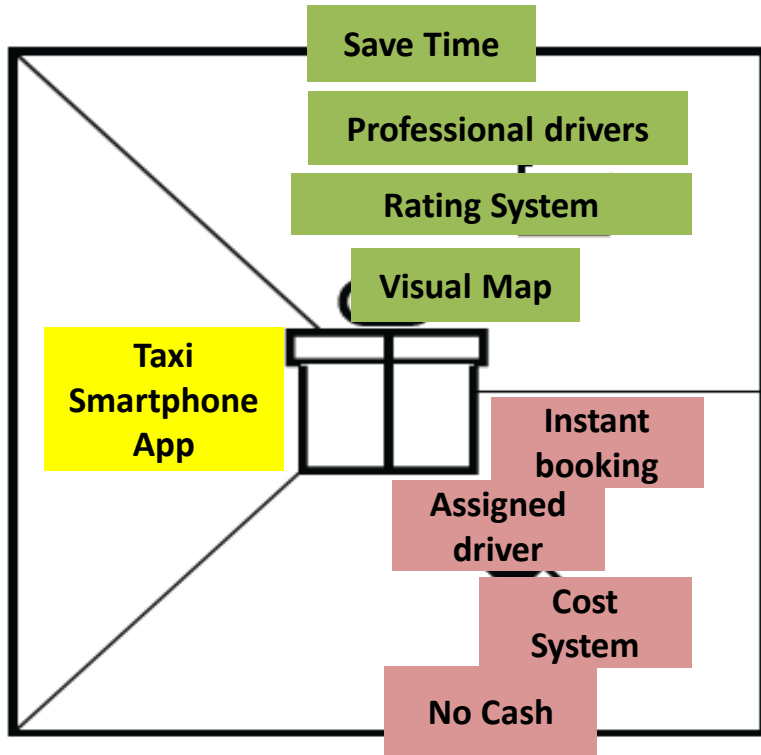Rank products & services from nice to have to essential
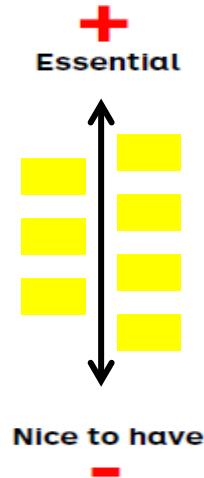
Pain Relievers
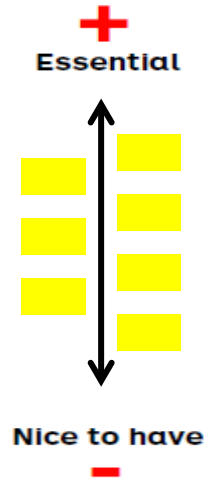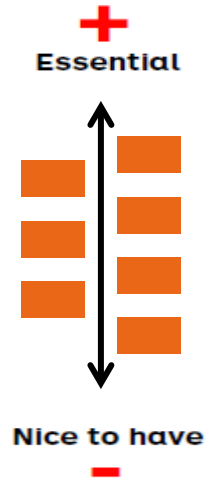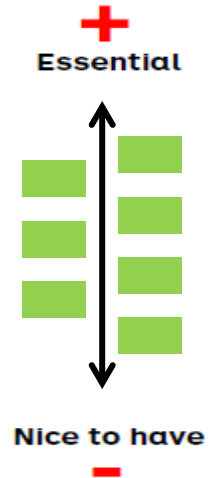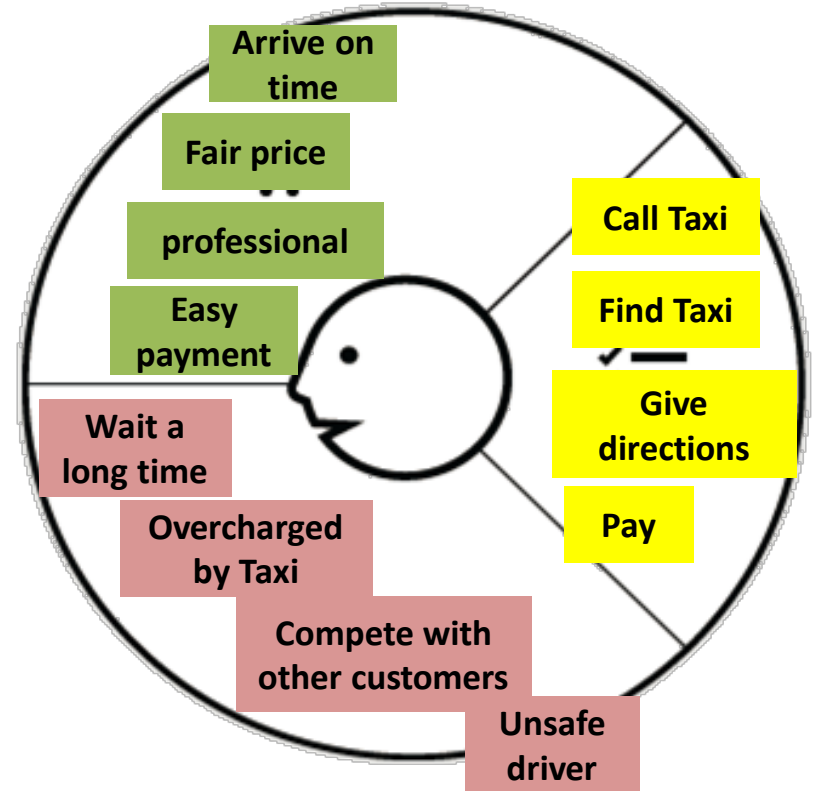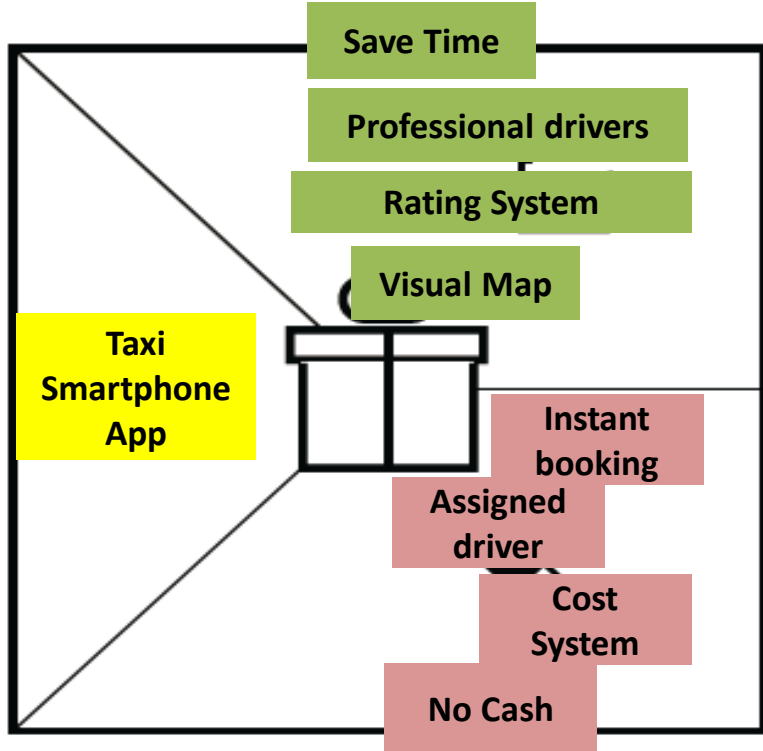Rank pains from nice to have to essential
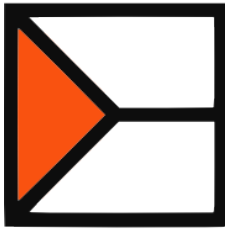
Gain Creators
Rank gains from nice to have to essential

+
Essential

Nice to have
−

Ranked VPC

Save Time

Professional drivers

Rating System

Visual Map

Taxi Smartphone App

Instant booking

Assigned driver

Cost System

No Cash

Arrive on time

Fair price

professional

Easy payment

Call Taxi

Find Taxi

Give directions

Pay

Wait a long time

Overcharged by Taxi

Compete with other customers

Unsafe driver

Value Map Summary

OBJECTIVE: Describe explicitly how your products and services create value

OUTCOME: 1 page map of value creation

1

List products and services

2

Outline pain relievers
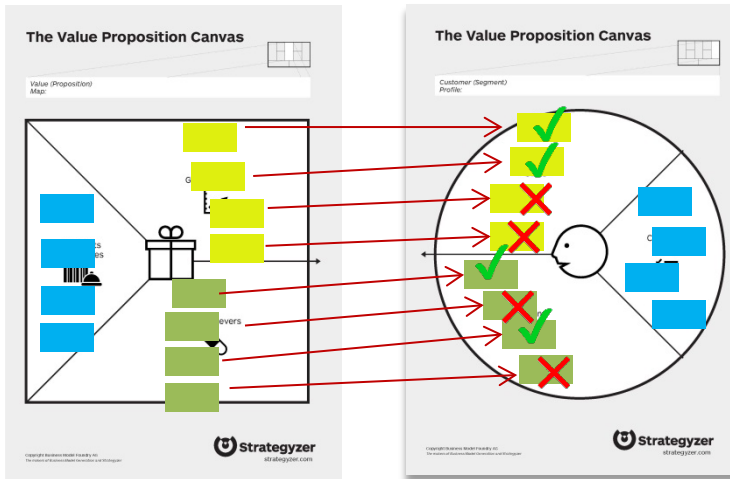
3

Outline gain creators

4

Rank by order of importance

Fit Overview

OBJECTIVE: Verify if you are addressing what matters to customers

OUTCOME: Connection between your products and services and customer jobs, pains, and gains

1

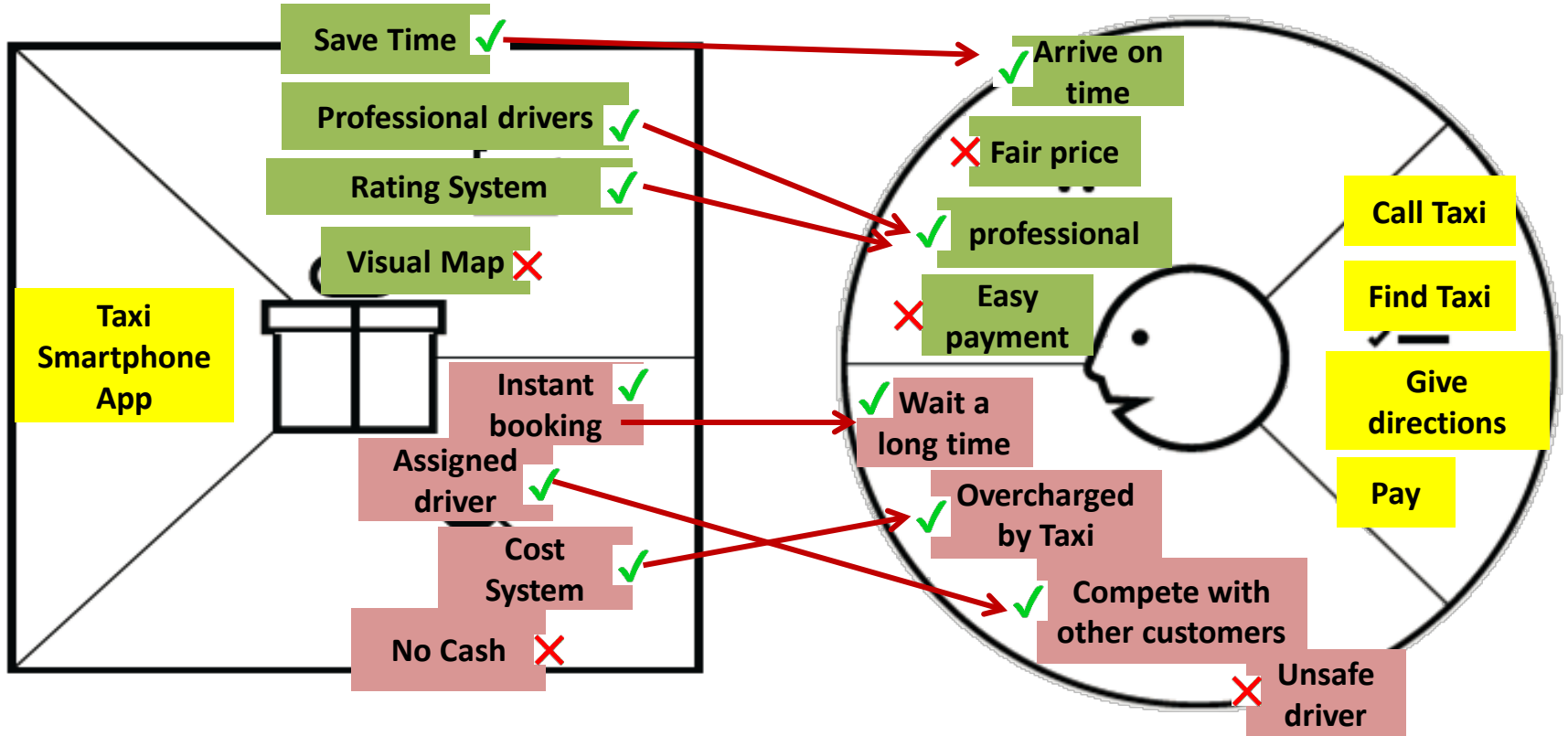Bring in the Value Proposition Map and Customer Segment Profile you completed earlier.

2

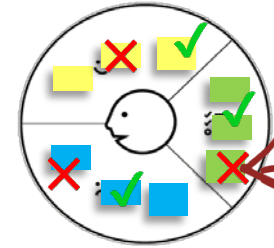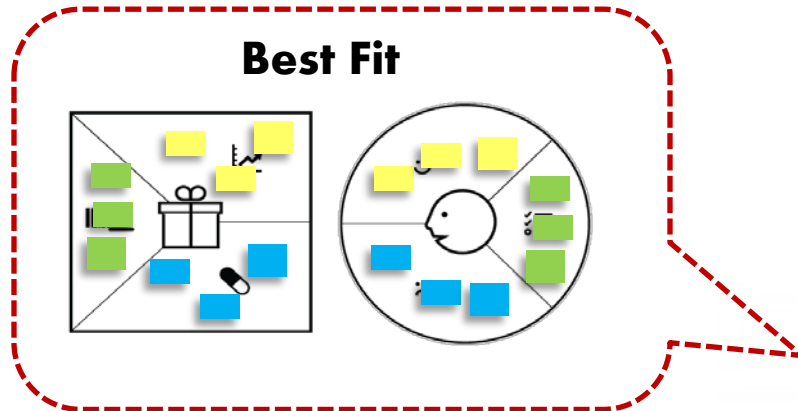Go through Pain Relievers and Gain Creators one by one, and check to see whether they fit a customer job, pain, or gain.
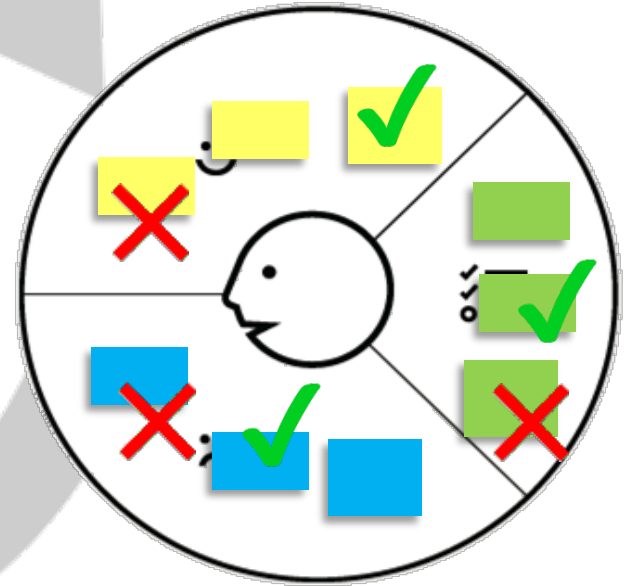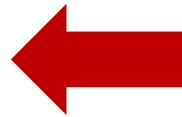
3

Put a check mark on each one that does.

Taxi Smartphone Application

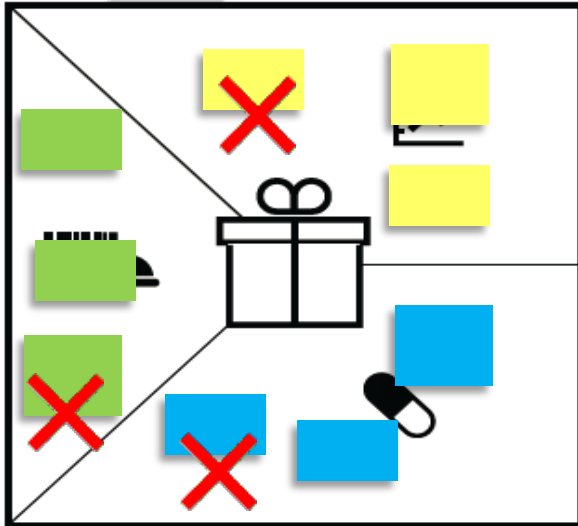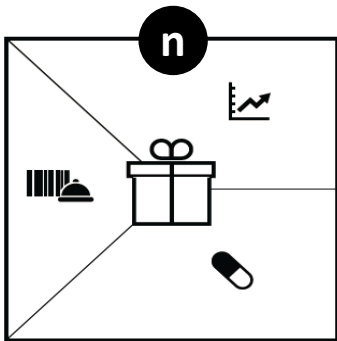# Test Your Customer Assumptions
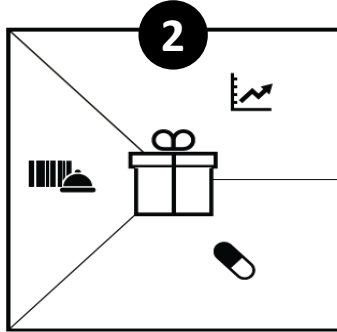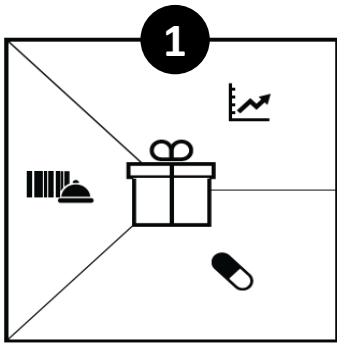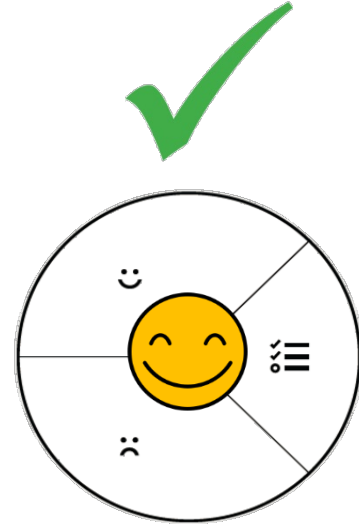
Adjust & Redesign

Best Fit

ad-lib

VALUE PROPOSITION TEMPLATE

Our Taxi Smartphone App

▷ *Products and Services*

help(s) Taxi passengers

◯ *Customer Segment*

who want to

book a taxi

◁ *jobs to be done*

by minimizing waiting time for a taxi

↘ *verb (e.g., reducing, avoiding)* ◐ *and a customer pain*

and enjoying affordable prices .

↗ *verb (e.g., increasing, enabling)* ◐ *and a customer gain*

(unlike Typical taxi services by phone **)**

▷ *competing value proposition*

Strategyzer.com/vpd