



Value proposition design

Let's remind ourselves of the key message in the 'essentials' section. A value proposition is simply your theory about what your users will value. If your theory is correct then they'll adopt your innovation and it will all be plain sailing. But you need to put your theory to the test - and be prepared to adapt and change it in response to feedback. So it makes sense to write it down as early as possible and then go about testing and refining it on real users. Which already raises some important questions to think about.

- Which users?
- Why will they value it?
- What will it mean for them?

A step-by step process for VP design

(a) Understand and define your target market

To start with we need to think about the question: Value for whom?

Because you need to focus on targeting your 'market' – who is going to value your offering?

Here's a simple method to help:

Working alone or in your group, draw a 'customer persona' - a simple sketch which captures the key characteristics of the kind of user you have in mind who will value your innovation.

- Who is your innovation for and how is it going to help?
- Build a model of your 'customer'
- 'Colour in' with as many details as you can
- Imagine them using your innovation – what are they seeing, hearing, feeling, etc.?
- Work with them, listen to their stories, get inside their worlds

There are plenty of online tools to help with this - [see, for example, this template](#)

[You can find out more about market personas here](#)

Now reflect on what have you learned.

In particular, think about the ways different groups of users have similar characteristics - they are the 'segments' of your market, a bit like slices of a pizza. You'll never be able to please all of the people all of the time - but you might do a good job of pleasing some of them, providing you target that particular segment.

So using segmentation and personas, try and build up a detailed picture of who it is you want to understand and reach and why they might value what you have in mind.

(b) Identify the 'jobs they want done'

[Watch this 'explainer video' on 'jobs to be done'....as a tool](#)

What's the job your target person/segment want to be done?

How is it done today?

How might it be done better? Differently?

Pains and gains

[\(Here's a template to help\).](#)

(c) Customer journey mapping

So now we have the target person(s) in mind and some idea of the 'job' they want done or done better. Now let's explore how our innovation might fit into their lives.

Map out their journey, their experience – perhaps it's a day in their lives or a part of that day. What is it like before they adopt your innovation – where are the problem areas, the roadblocks, the 'pain points'?

You could draw simple map of this 'before' situation and use it to understand the places where an innovation might help make life easier – relieve the pain, smooth over the bumps in the road. There's plenty of ways of doing this – but the most important thing is to build up an

understanding of how they experience that journey. So maybe interview someone who's had the experience, maybe use your own experience, get some detailed insight into how the journey takes place.

Once you've got your 'before' map you can then sketch out how the journey might look with your innovation added in – where and how would it help. This will help you in formulating what it is that people might value about your new idea. It's your 'value proposition'.

[You can find out more about customer journey mapping here](#)

(d) Review your solution against these needs

Pull all of this information together - your ideas about segments, personas, jobs to be done and the customer journey - and add it to your ideas about how your innovation might help. How could you build aspects of the emerging picture of customer needs and experience into something which will be of value?

At this stage we want the outline idea only – we're not looking for a finished product here but imagine if something existed in the future what it might look like?

(e) Create your value proposition

Let's draw it all together and create a statement of our value proposition

- Focus on your possible innovation
- Identify your target market
- Describe how your idea is going to create value for them
- Tell us the story:
- *'xxx is using our innovation because it does yyy for them and they value this because.....'*

[\(See these templates for examples\)](#)

Try and capture the essence of what you've written in something you could deliver in a 1 minute 'elevator pitch'. Imagine you have walked into a lift and found yourself alone with a potential investor - plenty of money, excellent contacts, the kind of person who could really help your idea to take off. She presses the button for the top floor and you realise you have their undivided attention for the 1 minute it will take to reach it. What will you say to give them a clear idea of what you are trying to do - your value proposition?

Try this pitch of your idea out on other people and polish it so you can really communicate the essence of your value proposition clearly.

And listen to their feedback - how would you change your value proposition to take it on board? How can you use it to refine and improve your VP?

There are some helpful templates and guidance available for value proposition design which you could draw upon – see, [for example the Strategyzer tools here](#)

And this is a [helpful video explaining value proposition design](#)