Introduction to the Value Proposition Canvas

There is no business without customers and value created to meet their needs and interests. The Value Proposition Canvas provides a tool to investigate further the interests of customers and value creation. It is a logical extension of the 'Customer Segment' and 'Value Propositions' elements of the Business Model Canvas. Here’s a link to a short introduction video: Value Proposition Canvas Explained.

The key to the Value Proposition Canvas is the inter-play between customer and business starting with design and demonstrated in the marketplace. There has to be a fit. There are three levels of fit:

1. **Problem – Solution Fit**
   - Evidence that customers care about certain jobs, pains, and gains
   - The value proposition design addresses those jobs, pains, and gains

2. **Product – Market Fit**
   - Evidence that the products and services, pain relievers, and gain creators are actually creating customer value and getting traction in the market

3. **Business Model Fit**
   - Evidence that the value proposition can be embedded in a profitable and scalable business model.
Customer Profile – Observations

Customer Jobs

Jobs describe the things your customers are trying to get done in their work or in their life. A customer job could be the tasks they are trying to perform and complete, the problems they are trying to solve, or the needs they are trying to satisfy.

1. What is the one thing that your customer couldn't live without accomplishing? What are the stepping stones that could help your customer achieve this job?
2. What are the different contexts that your customers might be in? How do their activities and goals change depending on these different contexts?
3. What does your customer need to accomplish that involves interaction with others?
4. What tasks are your customers trying to perform in their work or personal life? What functional problems are your customers trying to solve?
5. Are there problems that you think customers have that they may not even be aware of?
6. What emotional needs are your customers trying to satisfy? What jobs, if completed, would give the user a sense of self-satisfaction?
7. How does your customer want to be perceived by others? What can your customer do to help themselves be perceived this way?
8. How does your customer want to feel? What does your customer need to do to feel this way?
9. Track your customer’s interaction with a product or service throughout its lifespan. What supporting jobs surface throughout this life cycle? Does the user switch roles throughout this process?

Customer Pains

Pains describe anything that annoys your customers before, during, and after trying to get a job done or simply prevents them from getting a job done. Pains also describe risks, that is, potential bad outcomes, related to getting a job done badly or not at all.

1. How do your customers define too costly? Takes a lot of time, costs too much money, or requires substantial efforts?
2. What makes your customers feel bad? What are their frustrations, annoyances, or things that give them a headache?
3. How are current value propositions under performing for your customers? Which features are they missing? Are there performance issues that annoy them or malfunctions they cite?
4. What are the main difficulties and challenges your customers encounter? Do they understand how things work, have difficulties getting certain things done, or resist particular jobs for specific reasons?
5. What negative social consequences do your customers encounter or fear? Are they afraid of a loss of face, power, trust, or status?
6. What risks do your customers fear? Are they afraid of financial, social, or technical risks, or are they asking themselves what could go wrong?
7. What’s keeping your customers awake at night? What are their big issues, concerns, and worries?
8. What common mistakes do your customers make? Are they using a solution the wrong way?
9. What barriers are keeping your customers from adopting a value proposition? Are there upfront investment costs, a steep learning curve, or other obstacles preventing adoption?

Customer Gains

Gains describe the outcomes and benefits your customers want. Some gains are required, expected, or desired by customers, and some would surprise them. Gains include functional utility, social gains, positive emotions, and cost savings.

1. Which savings would make your customers happy? Which savings in terms of time, money, and effort would they value?
2. What quality levels do they expect, and what would they wish for more or less of?
3. How do current value propositions delight your customers? Which specific features do they enjoy? What performance and quality do they expect?
4. What would make your customers’ jobs or lives easier? Could there be a flatter learning curve, more services, or lower costs of ownership?
5. What positive social consequences do your customers desire? What makes them look good? What increases their power or their status?
6. What are customers looking for most? Are they searching for good design, guarantees, specific or more features?
7. What do customers dream about? What do they aspire to achieve, or what would be a big relief to them?
8. How do your customers measure success and failure? How do they gauge performance or cost?
9. What would increase your customers’ likelihood of adopting a value proposition? Do they desire lower cost, less investment, lower risk, or better quality?
Value Map – Value Creation (to be proven)

Products & Services
This is a list of all of the products and services that provide the Gain Creators and Pain Relievers on which the value created is based.

Pain Relievers
Pain relievers describe how exactly your products and services alleviate specific customer pains. They explicitly outline how you intend to eliminate or reduce some of the things that annoy your customers before, during, or after they are trying to complete a job or that prevent them from doing so.

Could your products and services...
1. ... produce savings? In terms of time, money, or efforts.
2. ... make your customers feel better? By killing frustrations, annoyances, and other things that give customers a headache.
3. ... fix under-performing solutions? By introducing new features, better performance, or enhanced quality.
4. ... put an end to difficulties and challenges your customers encounter? By making things easier or eliminating obstacles.
5. ... wipe out negative social consequences your customers encounter or fear? In terms of loss of face or lost power, trust, or status.
6. ... eliminate risks your customers fear? In terms of financial, social, technical risks, or things that could potentially go wrong.
7. ... help your customers better sleep at night? By addressing significant issues, diminishing concerns, or eliminating worries.
8. ... limit or eradicate common mistakes customers make? By helping them use a solution the right way.
9. ... eliminate barriers that are keeping your customer from adopting value propositions? Introducing lower or no upfront investment costs, a flatter learning curve, or eliminating other obstacles preventing adoption.

Gain Creators
Gain Creators describe how your products and services create customer gains. They explicitly outline how you intend to produce outcomes and benefits that your customer expects, desires, or would be surprised by, including functional utility, social gains, positive emotions, and cost savings.
Could your product and services...

1. ... create savings that please your customers? In terms of time, money, and effort.
2. ... produce outcomes your customers expect or that exceed their expectations? By offering quality levels, more of something, or less of something.
3. ... outperform current value propositions and delight your customers? Regarding specific features, performance, or quality.
4. ... make your customers' work or life easier? Via better usability, accessibility, more services, or lower cost of ownership.
5. ... create positive social consequences? By making them look good or producing an increase in power or status.
6. ... do something specific that customers are looking for? In terms of good design, guarantees, or specific or more features.
7. ... fulfill a desire customers dream about? By helping them achieve their aspirations or getting relief from a hardship?
8. ... produce positive outcomes matching your customers' success and failure criteria? In terms of better performance or lower cost.
9. ... help make adoption easier? Through lower cost, fewer investments, lower risk, better quality, improved performance, or better design.

10 Characteristics of Great Value Propositions

✔ Are embedded in great business models
✔ Focus on few pain relievers and gain creators, but do those extremely well
✔ Focus on jobs, pains, or gains that a large number of customers have or for which a small number is willing to pay a lot of money
✔ Align with how customers measure success
✔ Focus on the most significant jobs, most severe pains, and most relevant gains
✔ Differentiate from competition in a meaningful way
✔ Address functional, emotional and social jobs all together
✔ Outperform competition substantially on at least one dimension
✔ Are difficult to copy
✔ Focus on unsatisfied jobs, pains, and gains

Source: “Value Proposition Design” by Alexander Osterwalder, Yves Pigneur, Greg Bernarda, and Alan Smith. Support questions noted here are taken from the Strategyzer website: [Strategyzer Resources](#)