Establishing Product-Market Fit

The degree of match between your offering and target customer needs or wants
✓ Is what we’re building really needed or wanted by customers?
✓ Does it address important pains and/or gains of the customers?
✓ How is it better than currently available alternatives?
Value Proposition Canvas

Value Proposition

Product & Services

Gain Creators

Pain Relievers

Customer Segment Needs

Gains

Customer Jobs

Pains
Customer Jobs

What customers are trying to get done
- tasks to perform, problems to solve, needs to satisfy

What do they actually DO now?

What are they really TRYING to do?

Is there a BETTER WAY to get the overall job done?

• Functional needs?
• Emotional needs / desires?
• Social needs / desires?

How Habits Work

Based on The Power of Habits by Charles Duhigg
Understanding Customer Jobs

Pre-Execution Steps
What must happen before the core execution step to ensure the job is successfully carried out?
• What must be defined or planned before the execution step?
• What must be located or gathered?
• What must be prepared or set up?
• What must be confirmed before the execution step?

Execution Step
What are the most central tasks that must be accomplished in getting the job done?
• Can the job be executed in a more efficient or effective sequence? How?
• Do some customers struggle with executing the job more than others? Why?
• What struggles, inconveniences, or frustrations do customers experience?
• Is it necessary to execute all steps in their current workflow?

Post-Execution Steps
What must happen after the core execution step to ensure the job is successfully carried out?
• What must be monitored or verified after the execution step to ensure the job is successfully performed?
• What must be modified or adjusted after the execution step?
• What must be done to properly conclude the job or to prepare for the next job cycle?

Customer Pains

Describe the frustrating outcomes, risks and obstacles customers currently experience

✓ What do they find too costly about current options?
✓ How are current solutions underperforming (slow, too expensive, lack of features, malfunctioning, poor quality, etc.)?
✓ What are their top 3-5 challenges, difficulties or frustrations with current options (convenience, quality, reliability, interoperability, accessibility, etc.)?
✓ What keeps them awake at night (issues, worries, concerns)?
✓ What barriers are keeping customers from adopting other options?
Customer Gains

Describe the benefits the customers are seeking

✓ What outcomes do they expect (articulated needs) and what would exceed their expectations (often unarticulated needs)?

✓ How do current options satisfy / not satisfy them?

✓ What would make their job or life easier / less frustrating?

✓ What positive social consequences do they desire (perception, status, power or influence, etc.)?

✓ What would increase the likelihood they would adopt a solution?
How will your product and/or service alleviate customer pains?

Do they:

✓ Produce savings? How?
✓ Fix underperformance issues or limit human error? How?
✓ Put an end to difficulties or challenges customers encounter? How?
✓ Eliminate negative social consequences your customers encounter or fear? How?
✓ Eliminate risks or barriers your customers fear? How?
✓ Make your customers feel better? How?
Gain Creators

How will your product and/or service create customer gains?

Do they:

☑ Create savings that make your customers happy? How?
☑ Deliver outcomes that exceed your customers’ current expectations? How?
☑ Fulfill something customers are dreaming about? How?
☑ Help customers better achieve their success metrics and criteria? How?
☑ Create positive social or emotional consequences that delight the customer? How?
☑ Make adoption easier? How?
Products and Services

What products and/or services will deliver the value proposition for your customer?

- Hardware
- Software
- Training / consulting
- Bundling
- Warranty
- Brand
- Customization / personalization / access
- etc.

The elements needed for a complete “solution” that will help you get and keep customers
Value Proposition Workshop (45 minutes)

Complete and initial draft of your Value Proposition Canvas for 1-2 wedge customers.
Value Proposition Workshop (45 minutes)

10 mins: Identify the customer jobs to be done (execution + pre and post execution)
10 mins: List your assumed pains and gains

5 mins: Identify the top three pains and gains based on importance and frequency
10 mins: List the potential pain relievers and gain creators you can / hope to deliver
10 mins: Identify the product(s) and/or service(s) that you assume will be most valuable
10 Characteristics Of Great Value Propositions

GREAT VALUE PROPOSITIONS...

1. Are embedded in great business models
2. Focus on the jobs, pains, and gains that matter most to customers
3. Focus on unresolved jobs, unresolved pains, and unrealized gains
4. Target few jobs, pains, and gains, but do so extremely well
5. Go beyond functional jobs and address emotional and social jobs
6. Align with how customers measure success
7. Focus on jobs, pains, and gains that a lot of people have, or that some will pay a lot of money for
8. Differentiate from competition on jobs, pains, and gains that customers care about
9. Outperform competition substantially on at least one dimension
10. Are difficult to copy

Disappointed by the failure of a good idea? #VPDesign helps you systematically build products & services that customers want!

Value Proposition Design
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