The phrase “value proposition” (VP) is credited to Michael Lanning and Edward Michaels, who first used the term in a 1988 staff paper for the consulting firm McKinsey and co. In the paper, which was entitled “a business is a value delivery system”, the authors define value proposition as “a clear, simple statement of the benefits, both tangible and intangible, that the company will provide, along with the approximate price it will charge each customer segment for those benefits”.

In a modern, clear cut definition, Labeaux defines a value proposition as a statement that clearly identifies what benefits a customer will receive by purchasing a particular product or service from a vendor
WHAT YOUR BEST PROSPECT REALLY WANTS

YOUR VALUE PROPOSITION LIVES HERE

WHAT YOU DO VERY WELL

ME TOO

DON’T GO THERE

WHO CARES?

WHAT YOUR COMPETITORS DO VERY WELL
Unlike [market leader/reference competitor]

our [product/service category name]

helps [target customer segment]

who want to [job(s) to be done]

by [verb (e.g. reducing, avoiding)] [customer pain]

and [verb (e.g. increasing, enabling)] [customer gain]
CASE 1
Unlike **SuperMeso, MediSkin and SkinLife**

[market leader/reference competitor]

our **Resorbable Natural Collagen Matrix**

[product/service category name]

helps **Trauma and Esthetic Surgeons**

[target customer segment]

who want to **Offer a shorter hospital stay for patients**

[job(s) to be done]

by **Preventing infections due to permanent biomaterials**

[verb (e.g. reducing, avoiding)]

[customer pain]

and **Increasing the speed of the natural healing process**

[verb (e.g. increasing, enabling)]

[customer gain]
CASE 2
Very high tensile strength

High abrasion resistance

Longer device lifetime

very high tensile strength
High abrasion resistance

Make smaller devices

Treat more patients
LESSONS LEARNED

• Don’t be blinded by your own technology
• Don’t mix up attributes and benefits
• Don’t forget each segment might have different VP

• Do study any competition that also can do the job
• Do talk to customers as early as you can
• Do talk to customer of customers too!

• If it doesn’t work, be agile and change…