



VALUE PROPOSITION

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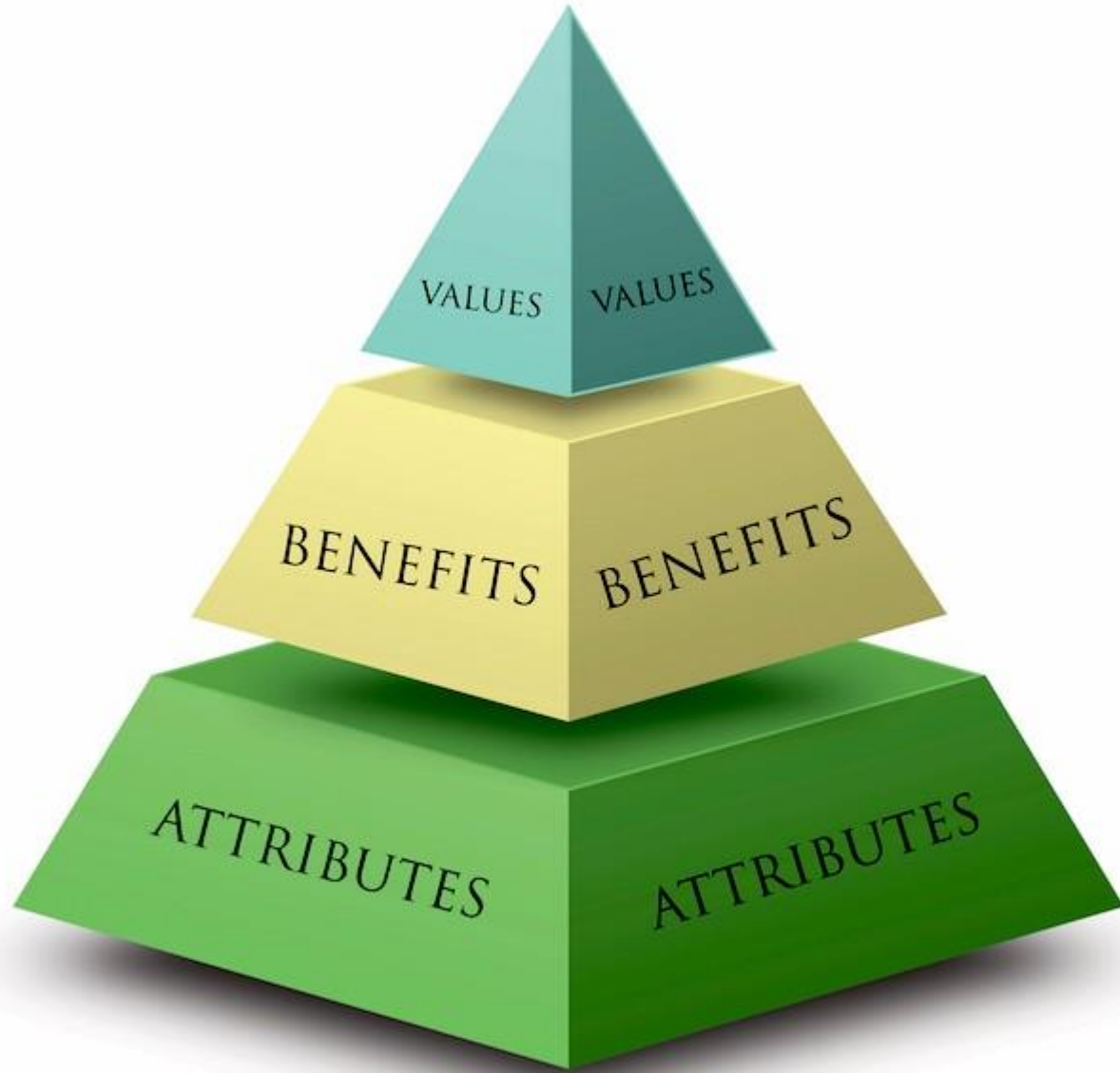
Knowledge Transfer Group

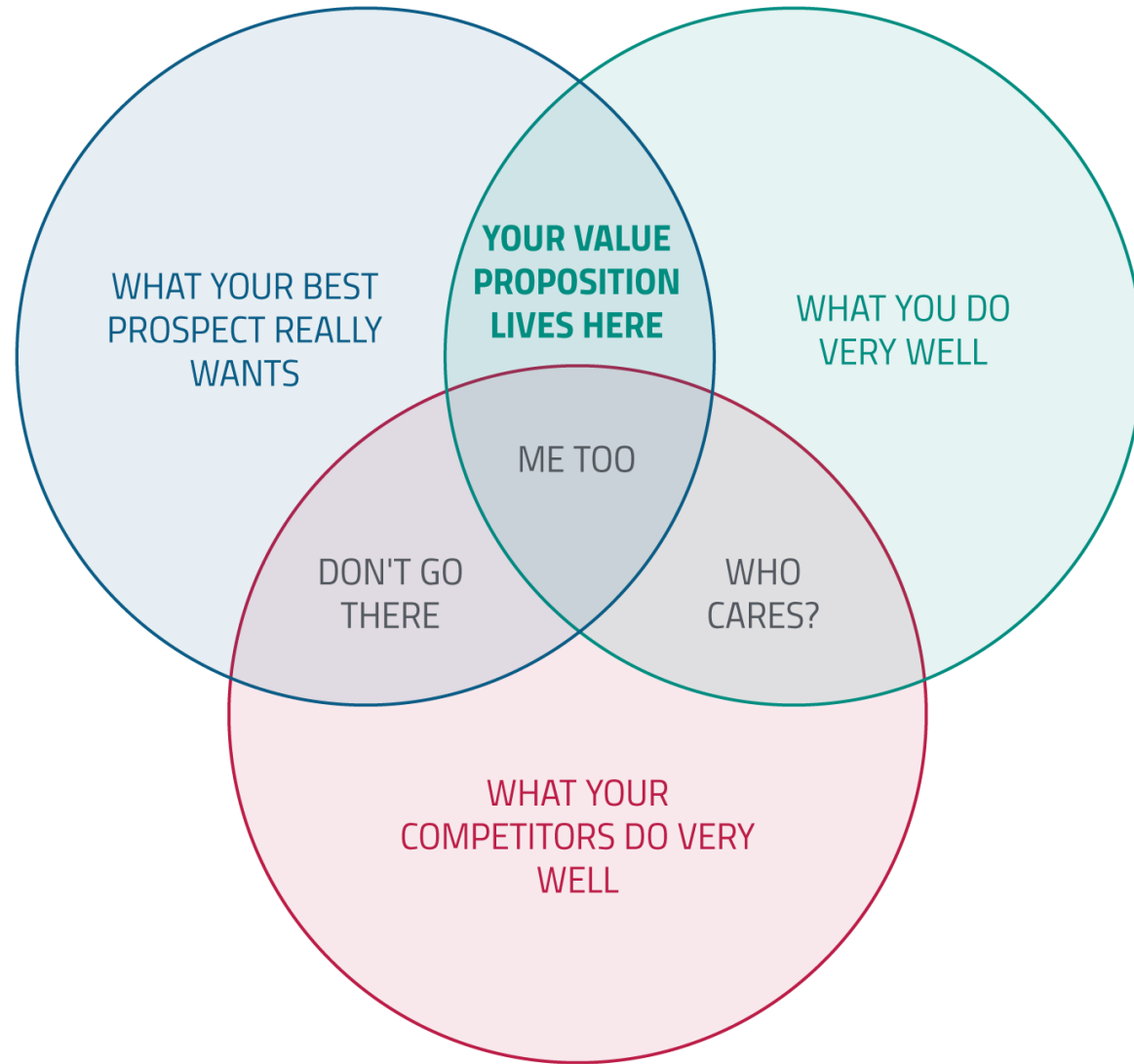
IPT Department (IPT/KT/BD)

CERN

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”.

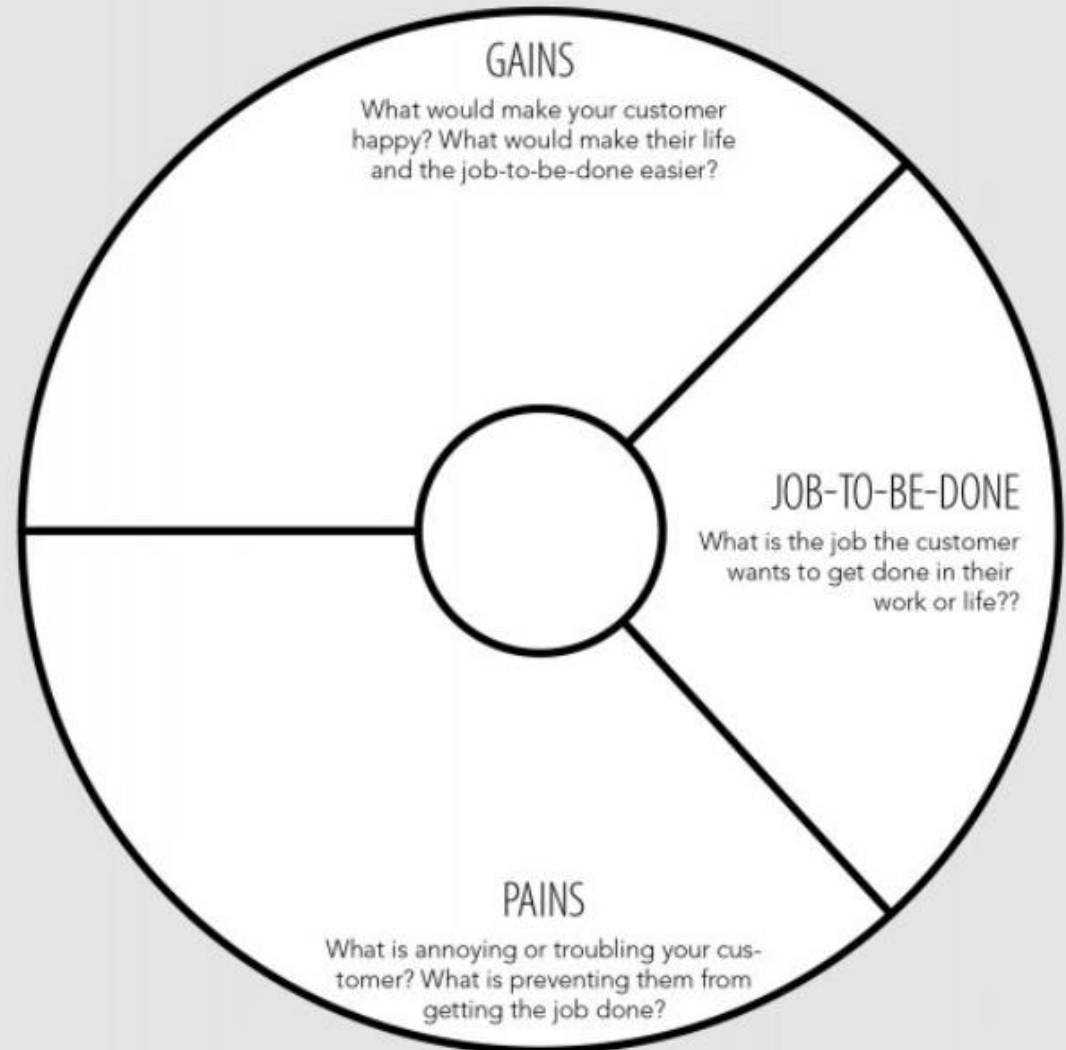
In a modern, clear cut definition, Labeaux defines a value proposition as a statement that clearly identifies what benefits a customer will receive by purchasing a particular product or service from a vendor







VALUE PROPOSITION CANVAS

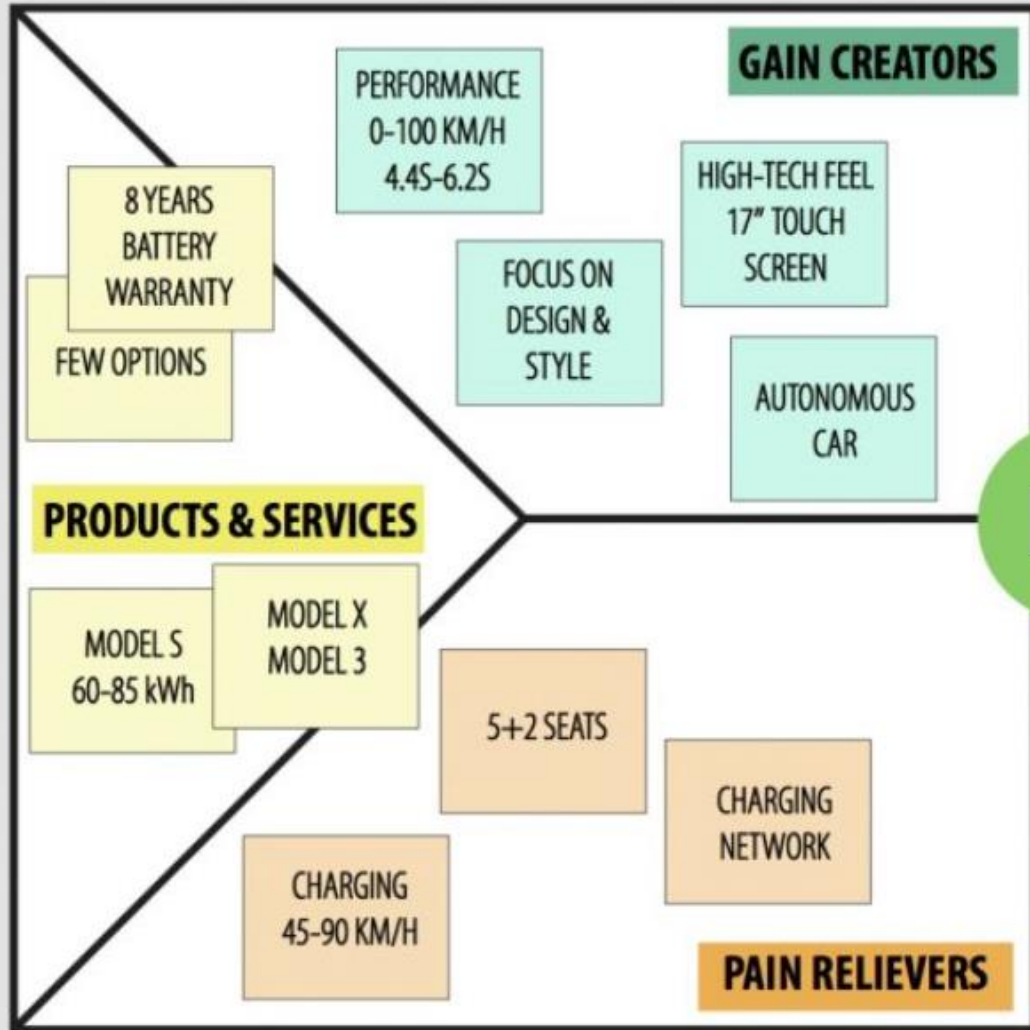


VALUE PROPOSITION CANVAS

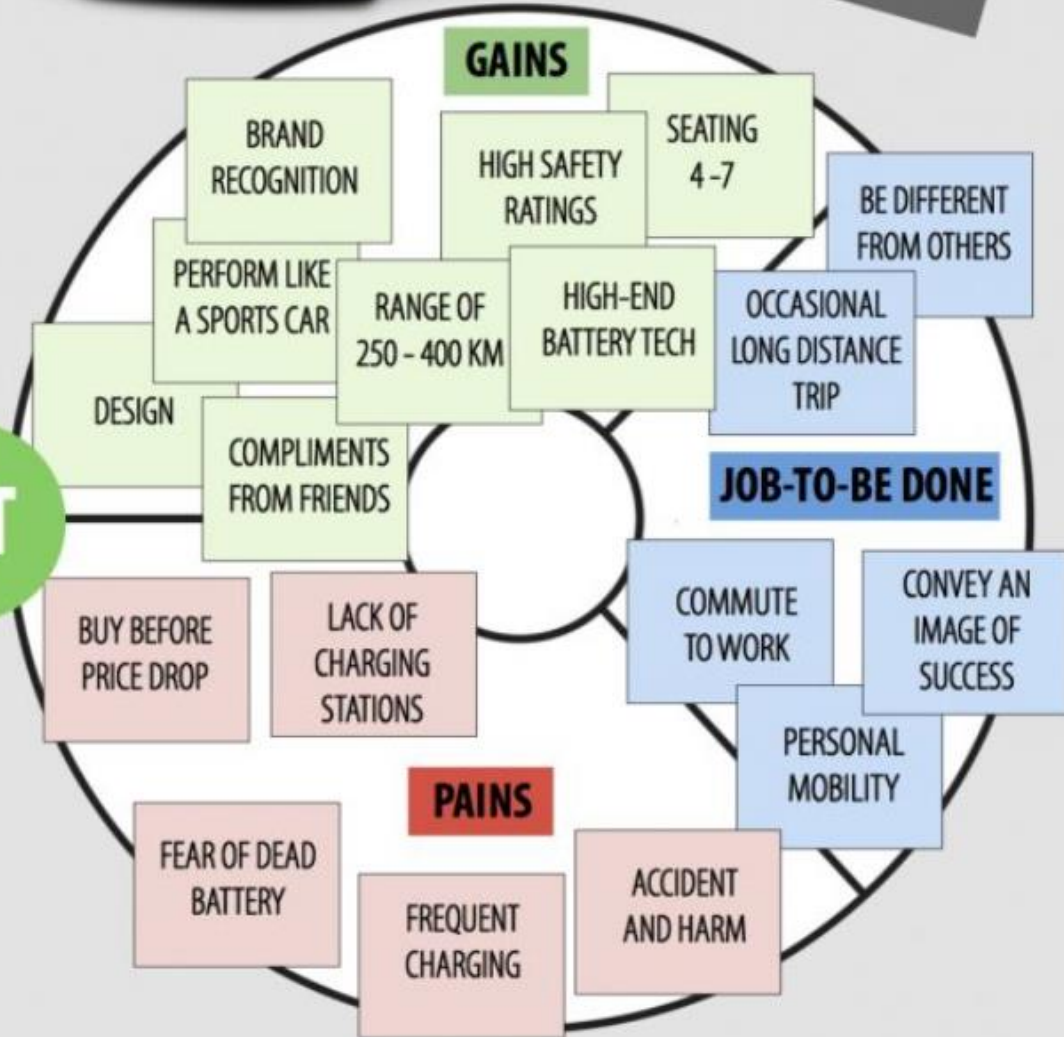
TESLA



UPPER MIDDLE CLASS MALE
\$100k+ INCOME



FIT



VALUE PROPOSITION TEMPLATE

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]

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...