

Market Value Chains™

A Strategic Framework for
Product and Market Alignment



The Business Challenge

- ▶ **Unclear Customer Segment:** Companies don't clearly identify who experiences the problem their product solves - thereby missing the most obvious sales target.
- ▶ **Misaligned Products:** Companies build solutions without fully understanding customer needs/constraints.
- ▶ **Scattered Insights:** Personas and customer journeys capture parts of the picture but don't systematically link problems to solutions.
- ▶ **Go-to-Market Challenges:** Without clear problem-solution mapping, marketing and sales struggle to effectively communicate value, or identify the target.

Traditional Approaches

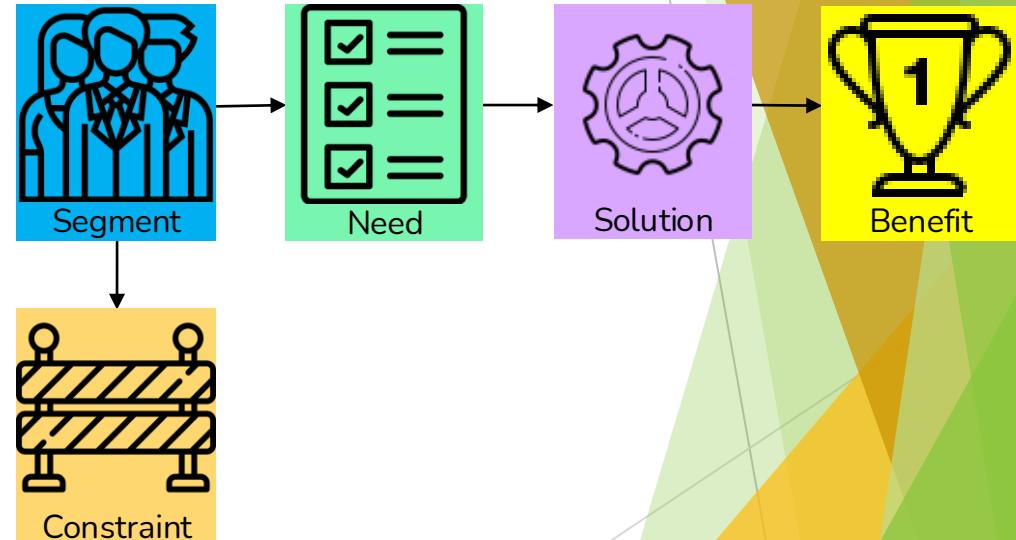
And Their Gaps

- ▶ **Personas** capture user types, but we wanted to show how constraints create specific needs.
- ▶ **Customer Journeys** map experiences, yet we wanted a structured way to link problems to solutions.
- ▶ **Business Models** define value, but we wanted to clarify which constrained segments experience problems that create opportunities.

Introducing Market Value Chains™

A Market Value Chain™ is a structured, visual way to link customer constraints and needs to solutions and benefits — providing a clear, actionable view of product-market alignment.

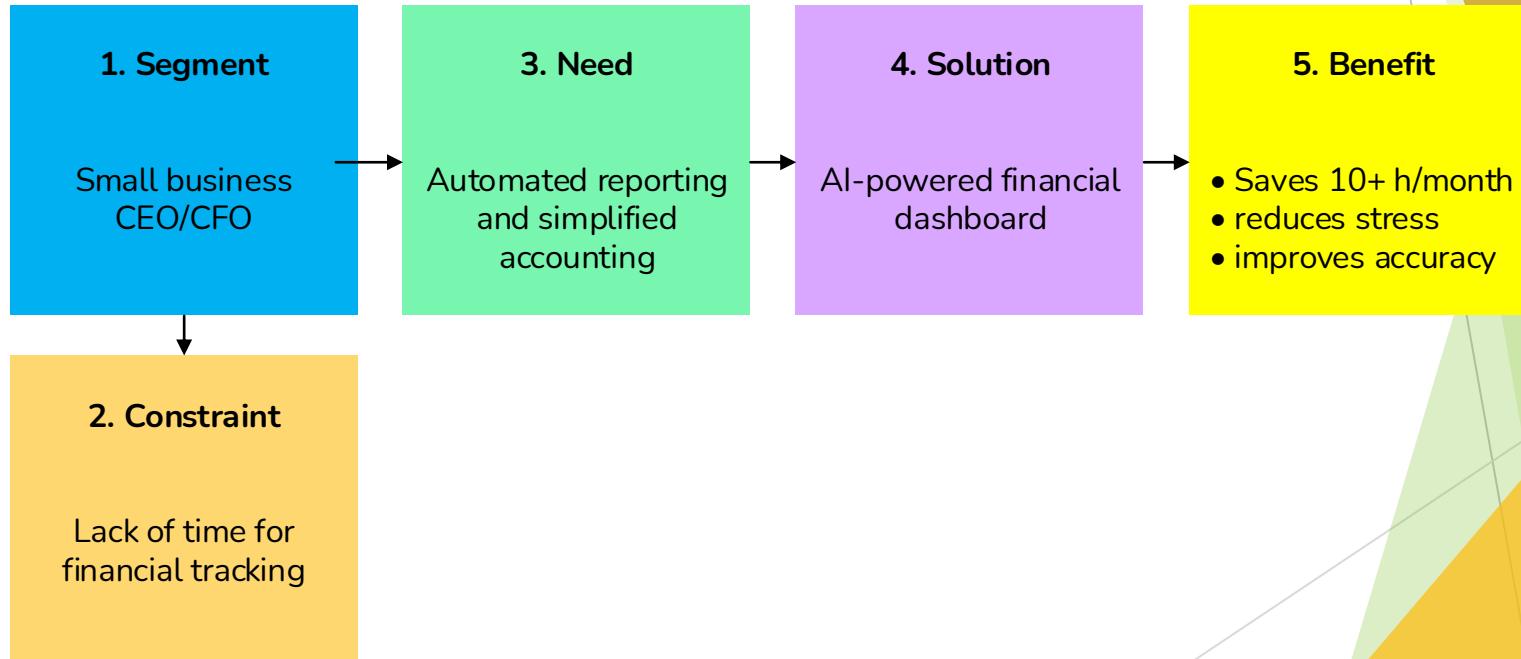
- ▶ **Customer Segments** – Who they are and their relevant characteristics.
- ▶ **Constraints** – Intrinsic or situational barriers that limit success.
- ▶ **Needs** – Opportunities that arise directly from segment characteristics and constraints.
- ▶ **Solutions** – How your product/service addresses these needs.
- ▶ **Benefits** – The tangible value delivered to the customer from the solution.



Creating Market Value Chains™

1. Identify and define target customer segments.
2. Determine constraints that prevent (or *could* prevent) success.
 - ▶ Map constraints relevant to each segment.
3. Define needs required to be fulfilled to remove these barriers.
 - ▶ Map needs relevant to each segment.
4. Identify solutions (product/service) that address these needs.
 - ▶ Map solutions relevant to each need.
5. Specify measurable benefits your solution provides.
 - ▶ Map benefits relevant to each solution.
6. Summarise the chains for clarity.
 - ▶ Group by colour to highlight key benefits for stronger sales messaging.
 - ▶ Cluster segments with common characteristics, and prioritise targets.

Example: SaaS platform for small businesses



Business Impact

Why Market Value Chains™ Matter

- ▶ **Identify the Right Customers:** Focus on the segments that truly have needs, so you know who to target in sales and marketing.
- ▶ **Better Product Decisions:** Build solutions that directly address customer constraints within your segments.
- ▶ **Stronger Messaging:** Clear problem-solution articulation for marketing and sales. Speak directly to the needs of the customers that matter.
- ▶ **Faster Market Validation:** Systematic approach to ensuring product-market fit, and choosing your market.
- ▶ **Competitive Advantage:** Create compelling value propositions by solving the right problems for the right segments.



Align your product & market strategies with Market Value Chains™

→ Get started or learn more: enquiry@punkfrog.se

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Evolution

Key developments in the method

Power Utility, Philippines

- ▶ 2015-02 Visualized how each department contributed to profit within the company, and called it the Value Chain. This logic follows the value-adding view in business process pipelines from 1990s.
- ▶ 2015-04 Documented the full process of value chains, to map improvement opportunities to strategic goals.

Erlang Solutions

- ▶ 2017-03 Mapped market needs to technology to benefits of the Erlang Ecosystem.
- ▶ 2018-10 Mapped Key results to Means to Measures for OKR.

2020-11 ETM Mätteknik

- ▶ Used Wardley diagram to plot value chain in signal analyser.

2024-02 Addiva

- ▶ Mapped Products to Solutions to Customer Segments, to prepare for business development.

2024-07 MedTech, Sweden

- ▶ Writing the executive summary for a complex and detailed IM, I used value chains as a way to connect needs (what) to solutions (how) and benefits (why). I needed to clearly identify the sales arguments and the potential buyers. I also grouped benefits by colour under “Easier/Safer/Cheaper”. This was a big breakthrough when I realised the potential for product management and sales.

2025-01 IT Consulting, UK

- ▶ Used the method to identify most valuable customer segments for a new line of business. I introduced the “constraints” which are necessary to filter and focus within each broader segment to understand exactly who the sales target is, and the relevant sales approach. I coined the term “Market Value Chains™” to differentiate from “value chains” which is generically used in a myriad of contexts.

2026-01 Punkfrog AB

- ▶ Finally wrote the white paper presentation that customers have been asking for!

