

Value Proposition & Design Thinking

A. What is a value proposition?

A value proposition is a simple statement that summarizes why a customer would choose your product or service. It communicates the clearest benefit that customers receive by giving you their business. Every value proposition should speak to a customer's challenge and make the case for your company as the problem-solver.

A great value proposition may highlight what makes you different from competitors, but it should always focus on *how customers define your value*. Likewise, conversations around brand strategy and taglines should stem from a value proposition, but they aren't one and the same.

You may be wondering: Why bother learning how to write a value proposition? It's like investing in the foundation of a house. You may not see the foundation, but everything you do see — and the long-term safety and security of your home — rest on it having a strong place to start from.

B. Value Proposition vs Mission Statement vs Slogan vs Tagline

Now, let's look at an example of a business that has all four: Nike. Remember that slogans can differ depending on the campaign.

Value Proposition: "Customizable performance or lifestyle sneakers with unique colorways and materials."

Mission Statement: "To bring inspiration and innovation to every athlete in the world."

Slogan: "Twice the guts. Double the glory."

Tagline: "Just do it."

While your value prop should help differentiate you from the rest of the industry, keep in mind it's not a **slogan**, tagline, or mission statement. Those types of copy are important accessories to your brand, but your potential customers and employees don't choose one business over the other solely based on these elements.

Your value proposition goes deep into the problems you want to solve for buyers, and what makes your product or service the perfect solution.

C. How to Write a Value Proposition

1. Identify your customer's main problem.
2. Identify all the benefits your product offers.

3. Describe what makes these benefits valuable.
4. Connect this value to your buyer's problem.
5. Differentiate yourself as the preferred provider of this value.

Step 1: Identify your customer's main problem.

While this will require some upfront research, you can get a head start on this aspect of the value proposition by speaking with different members of your team. Customer service reps, marketing specialists, and salespeople can fill in the gaps about what problems your customers are looking to solve by using your product or service.

For example, let's say your business sells tax software on a subscription basis and automated templates are included in the software package. Your ideal customer is looking for an affordable and user-friendly way to access complicated tax documents for their business. In this example, your business's offerings could be the solution they need.

Step 2: Identify all the benefits your products offer.

This step can be as simple as listing out every product you sell and describing its primary benefit. The benefit should be concise and focused on a single customer need.

In our tax software example, you'd list each tax template, explain the benefit it provides, and why a customer would need it.

Step 3: Describe what makes these benefits valuable.

Next, add another sentence that explains why this benefit matters to the customer.

Using the same example above, the value would be that customers have affordable tax documentation at their fingertips — something that would normally cost them thousands of dollars.

Step 4: Connect this value to your buyer's problem.

Next, pair the buyer's problem to the elements that make your product or service valuable. Do they align? If so, you're ready to refine your value proposition to differentiate your offerings from the competition. If they don't align, repeat the steps above until you find a valid buyer need and a viable solution your business offers to meet that need.

Step 5: Differentiate yourself as the preferred provider of this value.

Finally, polish your value proposition to make it unique. Is there a specific customer service offering your business provides that others don't? Do you offer any additional services that other

companies charge for? These elements can help differentiate your value proposition from competitors while keeping the focus on the buyer's needs.

Once you understand these steps, you can easily implement them into value proposition templates.

D. What makes a good value proposition?

a. Clear Language

Your value proposition should aim to address a primary customer need. This limited focus helps keep your value proposition clear and easy to understand. With just one main idea to comprehend, your audience will be able to quickly decide whether or not your product or service will be the best solution for them.

b. Specific Outcomes

Next, you'll want to communicate the specific outcomes your customer can expect to receive from your product or service. Will they save time? Demonstrate how. Will their workflow become more manageable? Show a before and after workflow diagram. The specific outcomes will be critical components of your value proposition as they'll exemplify exactly how your customers will use your solution to solve their problems.

c. Points of Differentiation

Not only are your potential customers evaluating your business's offerings based on their own needs, but they're also comparing what you offer against competitors. As a result, your value proposition will need to include detailed points of differentiation. These key points will help customers understand exactly what sets your company apart.

E. Design Thinking & Value Proposition:

A compelling value proposition is a must. Design thinking provides businesses with an opportunity to evaluate what they think their value proposition is and understand what their customers think their value proposition is. This information will help to understand your true value proposition and what your aspirational value proposition could be.

The main characteristic of this strategy process that differentiates it from established strategic activities is its clear customer (user/consumer/people) point of view in defining the way forward. This strategic framework informs value proposition processes on an offering and portfolio management level. The process complements established strategy processes.

Furthermore, the design thinking process will help identify opportunities to better deliver on your value proposition, highlight what your customers believe your value proposition is in a more impactful way or even redefine your value proposition altogether.