



Sensus

Entrepreneurship Training Assignment 2

Table of contents

1. Learning objectives.....	3
2. Description	3
3. Supportive materials	4
4. Deliverables	5



1. Learning objectives

After completing this step you are able to:

- Develop a proper value proposition for an identified customer segment
- Apply the value proposition canvas in your search for great value propositions
- Enhance your design thinking skills
- Validate your solution using appropriate tools

2. Description

During the first step of the SensUs Entrepreneurship Training you developed a better understanding of the nature of the problem by considering the role of the different stakeholders and their interest in a solution. Now it is time to develop a solution for this problem. Obviously, your sensor will be the technical center of your solution, however a value proposition (solution) is so much more than a mere technical invention. The value proposition is a bundle of products and services that creates value for a customer segment. They make specific which features and characteristics of your solution create benefits for the customer. Designing good value propositions starts with developing a thorough understanding of your customer segment. Only then you are able to create a solution that matches their needs, desires and preferences.

The focus in this step lies on the design of the proposition with the help of the value proposition canvas. The value proposition canvas zooms into the details of two of the building blocks of the Business Model Canvas (i.e. the value proposition and the customer segment). Based on your insights of step 1, you start with mapping out the jobs, pains and gains that are related to your customer segment. In addition, you describe the set of value proposition **benefits** that you *design* to attract customers. You achieve fit when this design of benefits meets your customer profile (i.e. jobs, pains and gains). Once you have designed a conceptual version of your value proposition, it is key to validate your solution with the customer as well. Is this indeed the solution they are seeking? Does it create the benefits they are looking for and does it adequately solve some of the pains they experience with traditional solutions?

In specific, the objective of this assignment is to develop a real value proposition for a particular customer segment.

- Start by identifying the jobs that your customers have to perform as well as the pains and gains that they are experiencing. The pains are bad outcomes, risks, and obstacles related to customer jobs. The gains are the outcomes customers want to achieve or the benefits they are seeking. Next, order the jobs, pains and gains in terms of importance. Now you have a clear picture of the *customer profile*.
- Then describe your offering and show how it can alleviate specific customer pains and create customer gains. Rank the gain creators and pain relievers according to how essential they are to the customer. Now you have a clear picture of the *value map*.
- Examine the fit between the *value map* and the *customer profile*. You achieve fit when customers get excited about your value proposition, which happens when you address



important jobs, alleviate extreme pains, and create essential gains that customers care about. Fit is hard to find and maintain. Striving for fit is the essence of value proposition design.

- Develop several prototypes of alternative value propositions to come up with the one(s) that produce(s) the best fit between the value proposition map and the customer profile.
- Perform an early customer research to validate which one of the conceptual prototypes is valued by your customer by using interviews. In addition, by ploughing through available data related to your customer segment (i.e. its size, its development (is it growing or shrinking), and its attractiveness), you can provide additional material to back up the choice for your solution. Explain why this customer segment is particularly interesting for your company based on the data you analyzed. Use secondary data sources that are readily available (e.g. CBS, Chamber of Commerce, Industry associations, Banks, Internet etc.).

3. Supportive materials

- Web lectures:
 - The Business Model Defined (available at Google Drive)
 - Designing a viable Business Model (available at Google Drive)
 - The Business Model's Functions (available at Google Drive)
 - Customer profile of Value proposition canvas:
 - <https://www.youtube.com/watch?v=0vhXFWG6jXc&index=4&list=PL4VBiTU4R6XX0W-Pv6-Gf9xkREFXgcuG>
 - <https://www.youtube.com/watch?v=CBzq78wcwJE&index=3&list=PL4VBiTU4R6XX0W-Pv6-Gf9xkREFXgcuG>
 - Value proposition canvas:
 - <https://www.youtube.com/watch?v=aN36EcTE54Q#t=66>
 - Validate your ideas
 - <https://www.youtube.com/watch?v=cW46ySJmLD8>
 - Video getting from business idea to business model:
 - <https://www.youtube.com/watch?v=wwShFsSFb-Y>
 - Visualizing your business model:
 - <https://www.youtube.com/watch?v=wKP-BaC0jA>
 - Video the Value Proposition Canvas in 5 minutes:
 - <http://businessmodelgeneration.com/canvas/vpc>
 - Video prototyping (develop alternatives):
 - <https://www.youtube.com/watch?v=iA5MVUNkSkM>
- Readings:
 - Handout "Value Proposition Canvas"



4. Deliverables

Solution development and validation:

- Recap of the main conclusions of your problem validation (step 1)
- Description of the 'value proposition' and 'customer segment' business model building blocks of the business model canvas.
- Overview of validation: interview insights and secondary data sources
- Second version of the business model canvas: validated problem of the customer segment and solution and assumptions for the other building blocks
- Deadline: 3 days prior to your coaching session