

Entrepreneurship Essentials
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Module - 04
Lecture - 17
Value Proposition Canvas

Hello and welcome. Today's topic is Value Proposition Canvas, value proposition and value proposition canvas. Value proposition is central to any startup or any entrepreneurial venture that is what we explained in the previous session.

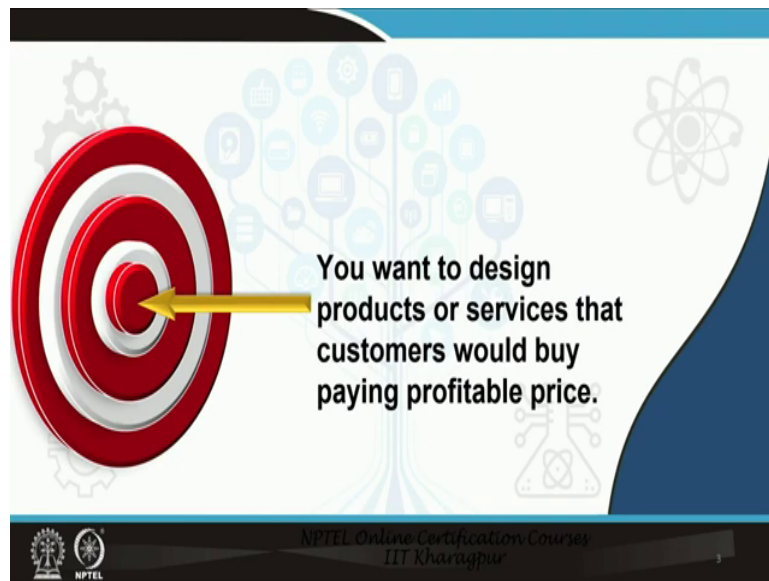
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The slide features a dark blue header with two logos on the left and the title 'CONCEPTS COVERED' in white. Below the header is a list of five items, each preceded by a small square icon. The slide has a light blue and white background with dark blue geometric shapes at the top and bottom right.

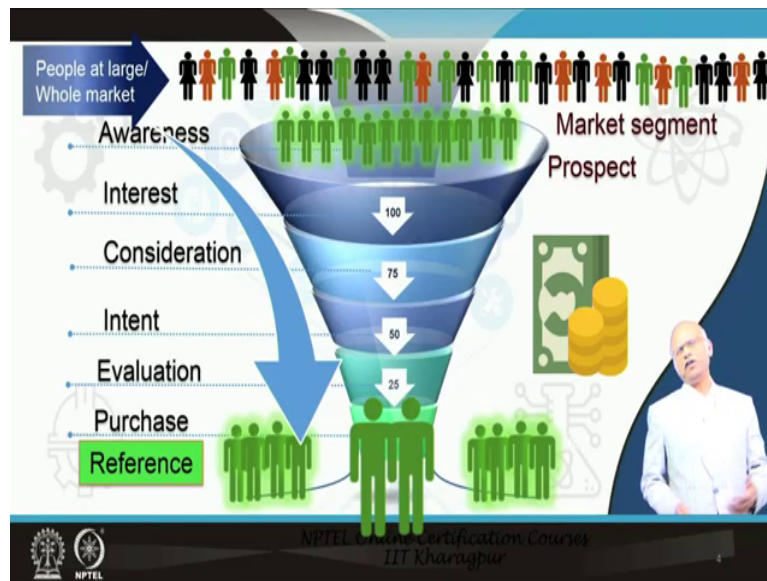
- Defining the value proposition
- Importance of understanding and defining value proposition
- How to design value proposition
- Template of value proposition
- Understand Product-Market-Fit

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And let us analyze the value proposition per se say; ideally you would prefer to have a product or service that customer will lap up, they will buy desired quantity at a price that will make you profitable.

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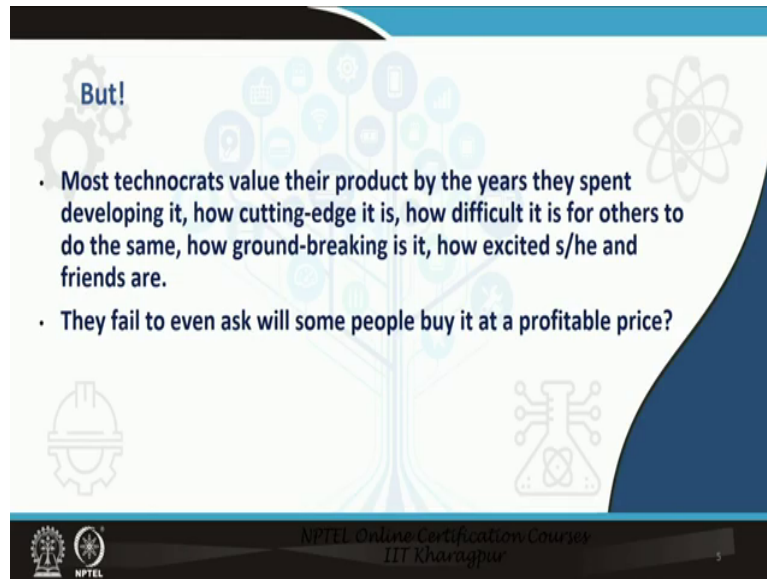


But then majority of the technocrats they think that they know whatever has to be done and eventually they fail to meet customer expectation. They feel that they know what customer actually want and what pain is there. The process of creating customer and making them buy is through a sales funnel that is what I what we explained several times in the past. You identify customers with some homogenous characteristics, like they have a pain all the customers who have similar kind of pain similar kind of aspiration.

So, you identify that is what is market segment, then you take all the marketing initiative so, that eventually some of them are convert into buyer, but then the success of this whole process will depend on how you have understood the pain, how well you have understood the pain and how well you have crafted a product that meet meets all the pains of the customers.

Only then all your efforts are going to lead to real sales and real customer and those customers are going to be evangelists for you and they are going to acquire new customer and eventually you have a profitable sustainable business for a long time.

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But!

- Most technocrats value their product by the years they spent developing it, how cutting-edge it is, how difficult it is for others to do the same, how ground-breaking is it, how excited s/he and friends are.
- They fail to even ask will some people buy it at a profitable price?

The slide features a central graphic of a tree with various technology icons (gears, Wi-Fi, smartphone, etc.) as leaves. Surrounding the tree are icons for a hard hat, a chemical flask, and an atom. The slide is part of an NPTEL Online Certification Course from IIT Kharagpur.

Contrary to that majority of the entrepreneurs think that they know what customer actually needs, and then they build something without really bothering must to understand the pain in detail, and then come up with a product go to market only to realize that it is not selling nobody is ask, willing to buy that product.

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What is value? Or value drivers?

- Functional – features, efficacy, reliability
- Emotional
- Social
- Economical of financial reward
- Piece of mind

More integrated thinking.
Wasterwalder makes analogy of the canvas with a Swiss knife for heart surgery.

The slide features a background graphic of a tree with various icons (gears, lightbulbs, a hard hat, a microscope) and a blue curved shape on the right side. The NPTEL logo is visible in the bottom left corner.

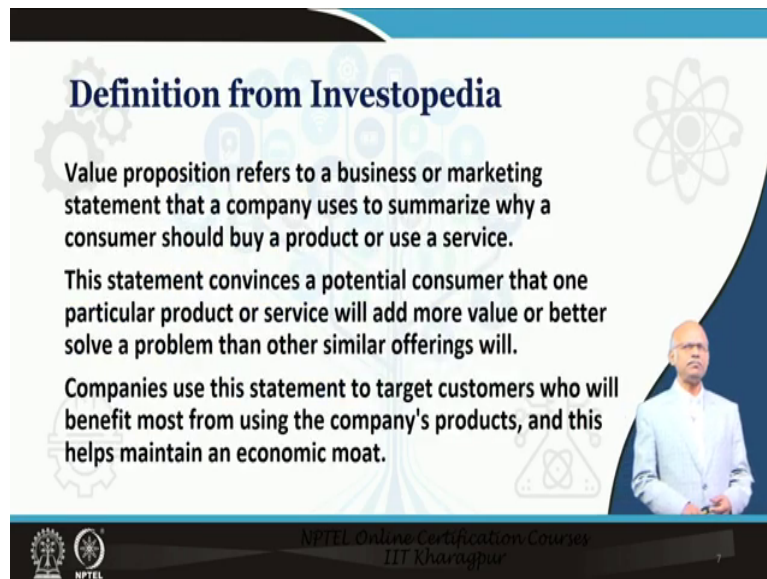
So, what is value and what are value drivers? Value may be functional, may be emotional, maybe social, may be economic, may be just a peace of mind. You give something and people stop bothering about something. Now, Wasterwalder actually has developed a canvas that contains all aspects of value. And one can actually use the canvas and populate its different blocks and then a value proposition canvas will be built, which will demonstrate whether you are really creating value that that is value for money for the customers and it is superior compared to competitors.

And this can be touted as a more integrated thinking of value proposition. Wasterwalder makes an analogy of the canvas with a Swiss knife for heart surgery compared to the well organized surgical laboratory. So, you are in the surgical lab and you have a Swiss knife with

all the tools inside, then suddenly you realize that one of the things are missing and then you know somebody is fighting with his life and you are looking for tools.

Whereas, Wasterwalder says that if you use the canvas you have everything in place to define value proposition of your business.

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Definition from Investopedia

Value proposition refers to a business or marketing statement that a company uses to summarize why a consumer should buy a product or use a service.

This statement convinces a potential consumer that one particular product or service will add more value or better solve a problem than other similar offerings will.

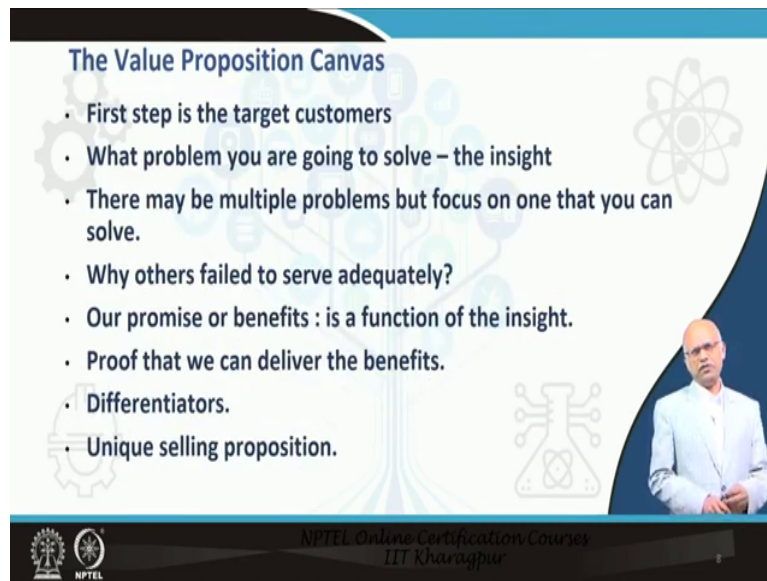
Companies use this statement to target customers who will benefit most from using the company's products, and this helps maintain an economic moat.

The slide features a background with faint icons of gears, a network, and a person. A small inset image shows a man in a light blue suit. The footer includes the NPTEL logo and the text 'NPTEL Online Certification Courses IIT Kharagpur'.

Value proposition precisely is a statement that contains superior value in terms of features and benefits of your products or services that the customer will perceive to be superior compared to whatever the competitors have been offering.

So, Investopedia says, value proposition refers to a business or marketing statement that a company uses to summarize why a consumer should buy a product or use a service, and not those of the competitors.

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The Value Proposition Canvas

- First step is the target customers
- What problem you are going to solve – the insight
- There may be multiple problems but focus on one that you can solve.
- Why others failed to serve adequately?
- Our promise or benefits : is a function of the insight.
- Proof that we can deliver the benefits.
- Differentiators.
- Unique selling proposition.

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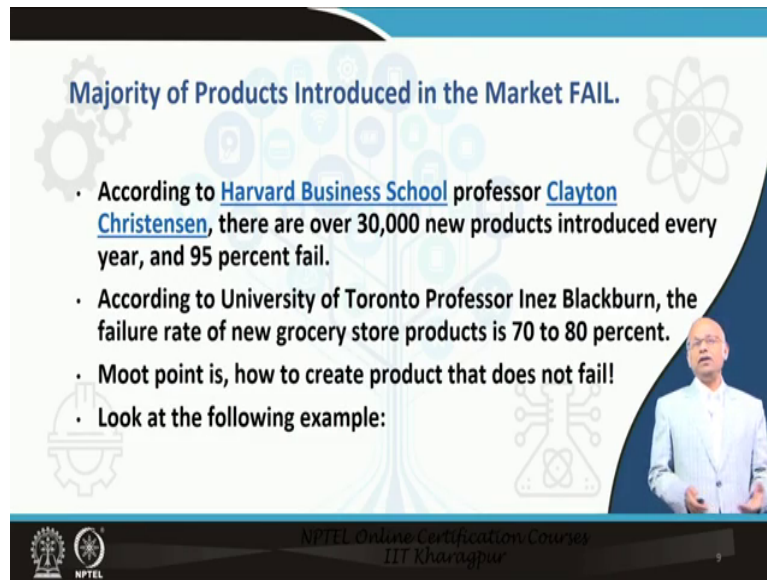
The value proposition canvas the first step is a target customer. What problems you are going to solve is the next that gives you the insight.

There may be multiple problems but then your focus should be on one for which you are going to solve a problem. And then we need to understand why others failed to serve adequately meaning why there are unmet pain or why customers will not buy competitors products and they will buy other our products. Then we make some promise to the customers that look we are going to provide you this which is going to solve better efficacy or less price or whatever its going to give higher value for the for the customers money.

It is a function of the inside this is going to give us the promise and benefits that you we prompt we proposed is the function of the inside that you derive about the whole solution and product market fit. This is a proof that we can actually deliver and this value proposition will

contain all the differentiators of our products or service, and also how the unique selling proposition will emerge out of the value proposition canvas.

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Majority of Products Introduced in the Market FAIL.

- According to [Harvard Business School](#) professor [Clayton Christensen](#), there are over 30,000 new products introduced every year, and 95 percent fail.
- According to University of Toronto Professor Inez Blackburn, the failure rate of new grocery store products is 70 to 80 percent.
- Moot point is, how to create product that does not fail!
- Look at the following example:

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There are statistics and we all know about it we have discussed on many occasions. According to how a business is quilt professor Clayton Christensen there are over 30000 new products introduced every year and only 95 only, 5 percent of them become successful 95 percent fail there are other statistics which shows that so many products are being built and they fail when they go to the market.

Meaning that customers are not actually buying so many products that are being developed and then taken to the market. So, there is a huge gap between customers need and the products which are being built that clearly shows that companies even establish companies

build and try to market products without real understanding as to what customer would actually buy when the products are in the market.

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Data Show that:

- 7 out of 10 products flops (in Silicon Valley)
- All the money, time, resources and talent that go into making these 7 products are all wasted.
- Majority, if not all, of the products fail because the targeted customers do not buy them.
 - They do not buy because they do not find them attractive.
 - They do not find them attractive because these products are unable to meet customers' essential needs.
 - 42% Well-Funded startups fail.

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There are other statistics as well and we already know that 42 percent of well funded startups fail, because they produce something that customers are not willing to buy.

So, that clearly defines or brings to the fore as to the importance of value proposition importance of defining features benefits of our products and services, for which customers are going to buy our products and feel that that is value for their money. So, that our product does not fail when they are introduced in the market.

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Wufoo founded by Kevin Hale

- Founded in 2006 and exited in 2011
- Raised only \$1,18,000
- Sold to SurveyMonkey for \$35 million in 2011.
- Gave a return of 29,561% to investors.
- Product: A web app that lets people create forms
- Motivation for the product: "We looked at other form builders, and we were like, 'All these people are crappy. And we don't want to be in that space.'"

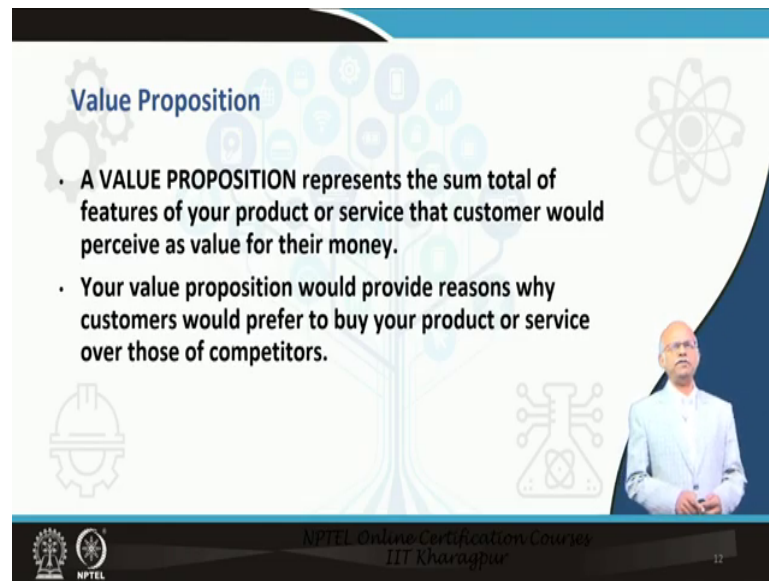
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A very small example, Wufoo founded by Kevin Hale, it is about the forms that we normally feel in online when we try to either do market research or form a file an application for any purpose they raised only 118000 dollar and this sold to Survey Monkey which is now at present the major forms provider for 35 million dollar, 35 million is not big money, but look at the percentage return that investors gained out of this investment. It gave 29561 percent return to the investors. That is it, but then why it happened like that why so much of value could be created?

Because they have build a product based on their inside that there is a lack of this kind of a product in the market when they try to fill in their own information in a form they realize these forms are crazy and there is no good forms available in the marketplace. So, build their own and then they give 29000 percent return to their investment.

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Value Proposition

- A **VALUE PROPOSITION** represents the sum total of features of your product or service that customer would perceive as value for their money.
- Your value proposition would provide reasons why customers would prefer to buy your product or service over those of competitors.

The slide features a speaker in a white suit on the right side. The background is decorated with various icons including gears, a tree with nodes, an atom, a hard hat, and a circuit board. At the bottom, there are logos for IIT Kharagpur and NPTEL, along with the text 'NPTEL Online Certification Courses IIT Kharagpur' and a small number '12'.

So, it is very important to understand the gap between what customers need and what actually are being offered by competitors and only then we can identify a unique value proposition. A value proposition represents the sum total of features of your product or service that customer will perceive as value for their money.

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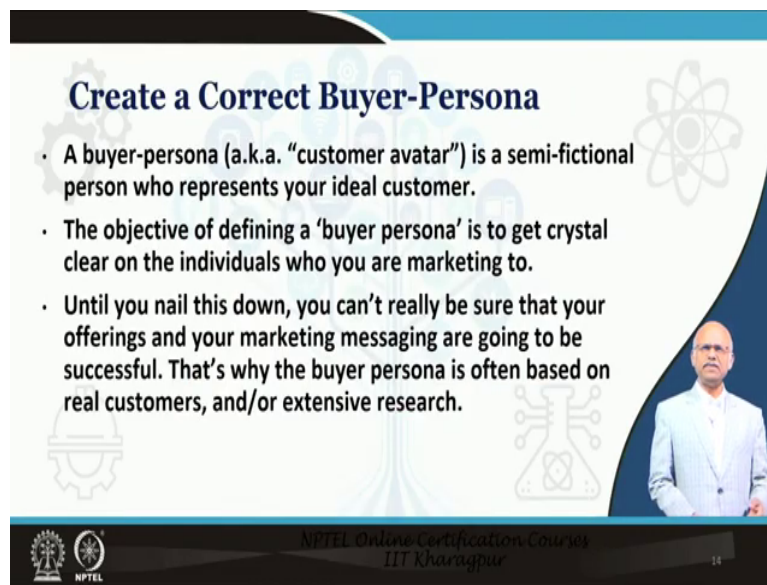
Now, everything depends on the target audience. If your target audience does not require the basic needs, but we are trying to fulfill the basic requirements then perhaps we may not go anywhere.

So, the famous Maslow's hierarchy of needs can be our guiding tool to understand where we should actually focus to build value. So, the bottom part of this pyramid is the functional needs. So, if somebody is in the at the bottom of the pyramid and we are trying to build a product for him or her then; obviously, functional characteristics are the most important parameters.

Whereas, if we are trying to build something for someone at the top say at the level of level where he or she is thinking of self actualization like Bill Gates. And we give lot of functionalities in the in the product or service perhaps that will not attract their attention or it

will serve their purpose. So, understanding our customers and at what level the customers are in this Maslow's hierarchy pyramid will help us to focus on the features that we should accentuate and the features that we should either eliminate or downplay.

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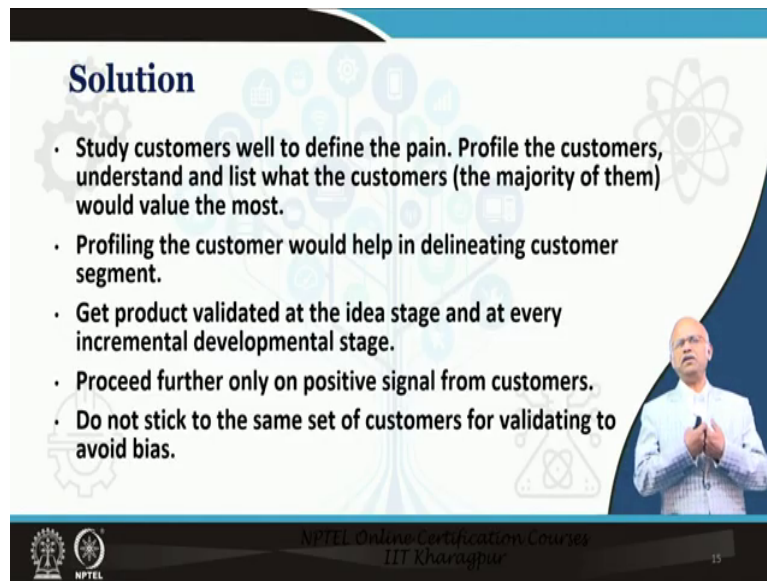
Create a Correct Buyer-Persona

- A buyer-persona (a.k.a. “customer avatar”) is a semi-fictional person who represents your ideal customer.
- The objective of defining a ‘buyer persona’ is to get crystal clear on the individuals who you are marketing to.
- Until you nail this down, you can’t really be sure that your offerings and your marketing messaging are going to be successful. That’s why the buyer persona is often based on real customers, and/or extensive research.

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So, we need to actually create a correct Buyers Persona meaning we should map the buyer's different characteristic features. So, as to understand them clearly have a crystal clear view about them about their needs, their aspirations and what they will appreciate, only then we shall be able to come up with products which will satisfy them and they will spend money to buy that.

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Solution

- Study customers well to define the pain. Profile the customers, understand and list what the customers (the majority of them) would value the most.
- Profiling the customer would help in delineating customer segment.
- Get product validated at the idea stage and at every incremental developmental stage.
- Proceed further only on positive signal from customers.
- Do not stick to the same set of customers for validating to avoid bias.

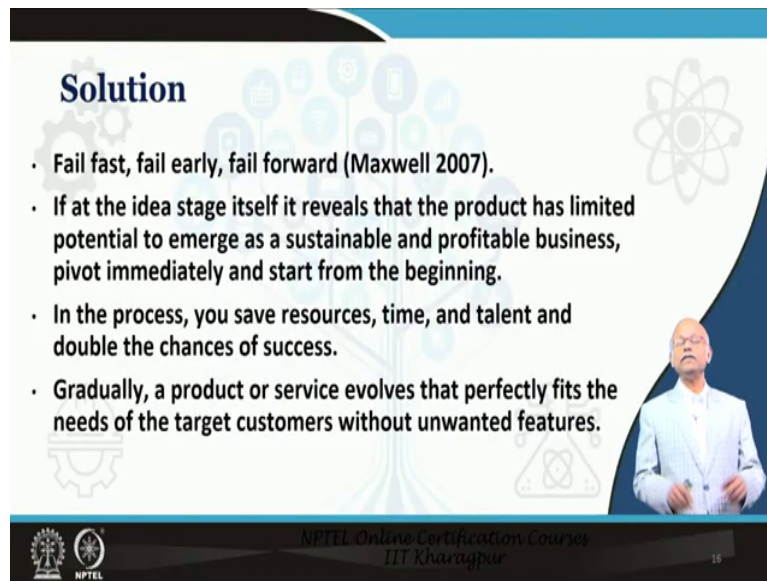
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So, understanding customers need or empathizing with their actual pain maybe we should fill their pain.

And then define the pain completely define the available solution completely and find the gap between solution and pain and then come up with a real product. That will help us to define the customer segment whom we are going to serve develop the product go to market, and build infrastructure or channels through which they will buy and it is going to be a successful business. But then it has to be done very fast like if we are if we define the problem come back to the lab design the product or service.

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Solution

- Fail fast, fail early, fail forward (Maxwell 2007).
- If at the idea stage itself it reveals that the product has limited potential to emerge as a sustainable and profitable business, pivot immediately and start from the beginning.
- In the process, you save resources, time, and talent and double the chances of success.
- Gradually, a product or service evolves that perfectly fits the needs of the target customers without unwanted features.

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And immediately get it validated by them as Maxwell says fail fast fail early and fail forward, meaning that we have to do everything fast we get the pain define the pain build a prototype get it validated we should not wait for a year or two to fine tune the product completely and then go to market. We have to if we if that the product is not going to be successful let us fail fast and then understand why it is failing and then restart.

In the process we save resources, we save money, we save time and we meet success early on and then we can continue build continue to build a sustainable business model.

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Value Proposition
Value proposition is the sum total of the benefits of product or service to be offered including:

<u>Quality</u>	<u>Ease of use</u>	<u>Cost</u>
<u>Efficacy</u>	<u>Re-sale value</u>	<u>Warranty</u>
<u>Usefulness</u>	<u>Power efficiency</u>	<u>Aesthetic value</u>
<u>Esteem</u>	<u>Serviceability</u>	<u>Convenience to buy</u>
<u>Ease of installation</u>	<u>Storability</u>	<u>Delivery</u>
<u>Configuration</u>	<u>Shelf-life</u>	<u>Return policy</u>
<u>Maintainability</u>	<u>After-sale service</u>	<u>Trouble shooting and such.</u>
<u>Safety</u>	<u>Reliability</u>	

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So, when we think of features we talk of value we talk of benefits to the customer actually there may be a list of things, but then the list can be almost like endless. Here are some of the things that customers always look for in products some product or services.

So, they may vary from product to product, but then majority of the cases quality, efficacy, usefulness, esteem, ease of installation, configuration, maintainability, safety, ease of use etcetera definitely are part of the whole scheme of things. So, where we focus like esteem is for people who are at the level of say at almost like the top level or maybe just one below the top level.

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Designing Value Proposition

- Value proposition is carefully crafted pitch explaining the advantages of your offering over those of competitors, showing reasons why customers have reasons to buy your product or service.
- Every employee should understand the value proposition related to all products and services so that they channel their focus and efforts to continuously improve them and convey them to customers.

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Designing how to design the value proposition? Value proposition is carefully crafted pitch, explaining the advantages of your offering over those of the competitors. Every employees necessarily should know about the value proposition so, that it is always the back of their mind and whatever they are doing they are trying to focus on that. Suppose superior quality is your value proposition so no employee should compromise on quality.

Whatever is the cost perhaps of course, there will be guiding principles as to the about the cost as well, but then if quality is the value proposition everybody should know. So, that everybody is trying to attain that or focus on that point.

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Two Different Approaches

- 01** Try to know your value proposition from the users by closely and deeply empathizing.
- 02** Building a product that ameliorates an acute pain, which the customers are either not aware of or do not think that a solution is possible.
You have to know for sure that you know what others do not know about their pain and you do know and have a solution.

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But then there are two approaches about those creating the value proposition building a product and delivering the first one is trying to know your value proposition from the users by closely and deeply empathizing.

You meet them, you watch them and then gradually try to understand their pain and try to understand the gap between solution and pain available solution and the pain. And then you understand the pain and then you understand how many people have the pain so that you have the aware fair idea about market size segment and then market size, but and then you come back and start making a value proposition in the form of a product or service.

Whereas, there can be another approach in this in a specific cases not all cases, like you can build a product that solves a pain of a group of people, which the people themselves are not

aware of they have a pain, but because they think that perhaps their solution is not possible so, they do not even know that a solution is possible.

So, maybe you have some kind of insight that you can come up with a disruptive or groundbreaking solution and when people will get it they will think that oh my god! This is the thing that I have needed for a long time, thank god! It is here, and then they are going to lap it up you have a wonderful business and because other people will not realize it. So, fast and you have a huge competitive advantage huge pricing power because other people are not means there is no competing product. So, you have almost like monopoly in the marketplace.

But then before you think that I have this kind of a product you have to know for sure that you know what others do not know about their pain, and you know that you really have a solution. That requires a lot of smartness a lot of understanding that you really know that people are not aware of their pain and you actually have a solution when that is available people will just lap it up.

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The First Approach

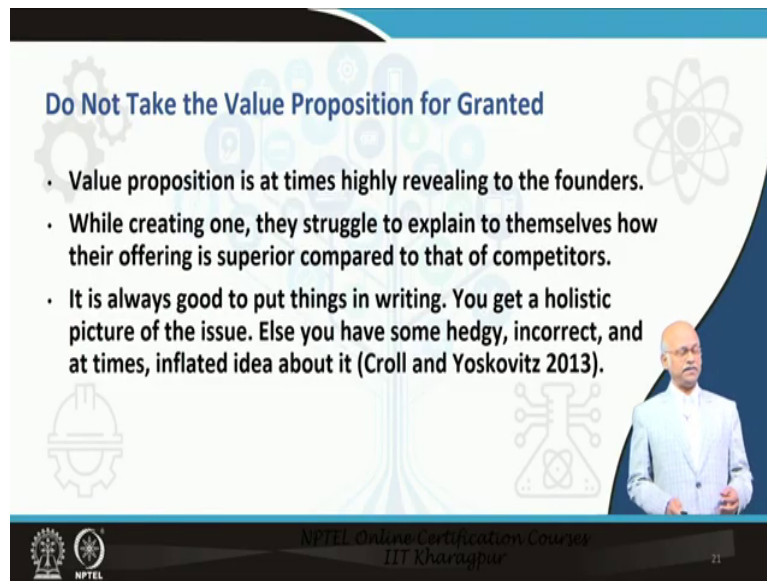
- ❑ Involves detailed profiling of the customers (economic, social, cultural, intellectual status), defining their specific pain, understanding competing products or services, and possible features of the planned or developed solution help to define value proposition.
- ❑ Building product with superior value proposition is referred to as 'Product-Market-Fit'

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Now the first, approach as I said it involves empathizing, but before empathizing you have to profile or through empathizing you have to make a detailed profiling of the customer know their pain understand competing products etcetera. Building a product with superior value proposition that customers will regard as superior product and or service is the perfect product market fit this is referred to as product market fit, you have a product there is a market.

And the market thing that the people in the market think that your product is superior compared to the competitors is a product market fit.

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Do Not Take the Value Proposition for Granted

- Value proposition is at times highly revealing to the founders.
- While creating one, they struggle to explain to themselves how their offering is superior compared to that of competitors.
- It is always good to put things in writing. You get a holistic picture of the issue. Else you have some hedgy, incorrect, and at times, inflated idea about it (Croll and Yoskovitz 2013).

The slide features a background with faint icons of a gear, a brain, an atom, a hard hat, and a chemical flask. A small inset image shows a man in a white suit speaking. The footer includes the NPTEL logo and the text 'NPTEL Online Certification Courses IIT Kharagpur'.

Now, most of the people take value proposition for granted. They think we know value proposition there is something called value proposition and we have to create value, but then they may not interact with the customer and they may actually think that they understand what a value proposition is what a pain is and our problem our solution is going to be a perfect match, but eventually it actually may not translate, meaning that there is always a gap of understanding it requires real engagement without really engaging with the customer entrepreneur should not think that we actually understand it.

And there are evidences empirical evidences that it happens and many people actually failed to deliver at the end a spending lot of time and energy and money.

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The Second Approach: Exceptional Product or Service

As Reid Hoffman of LinkedIn explains, lucrative startups are often the result of wildly audacious solutions to problems people didn't realize they had.

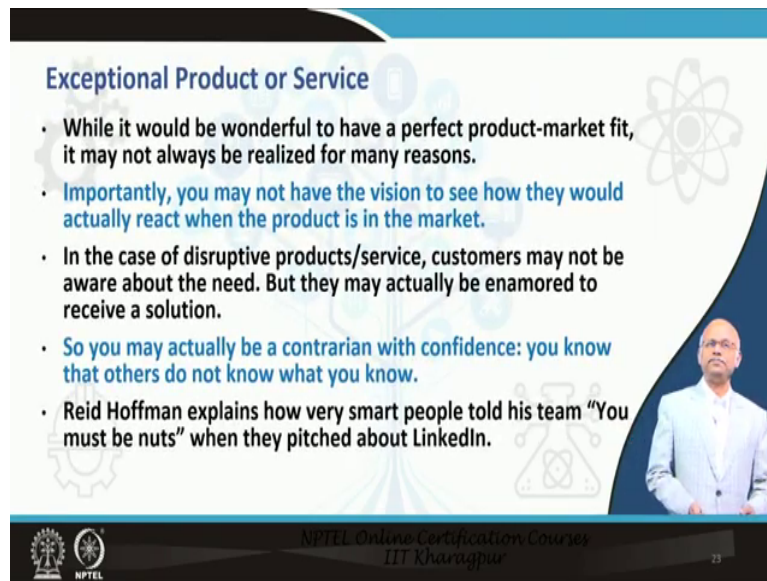
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We talked about two approaches the second approach, as the CEO of LinkedIn Reid Hoffman says, lucrative startups are often the result of wildly audacious solutions to problems people did not realize they had. So, it is not just coming from my mouth this is already established many of the disruptive technologies, disruptive products that came in the market and became winning product.

They made an enterprise successful because the founders could identify an unmet pain, about which the customers themselves are not aware and when the solution came that became a leading product.

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Exceptional Product or Service

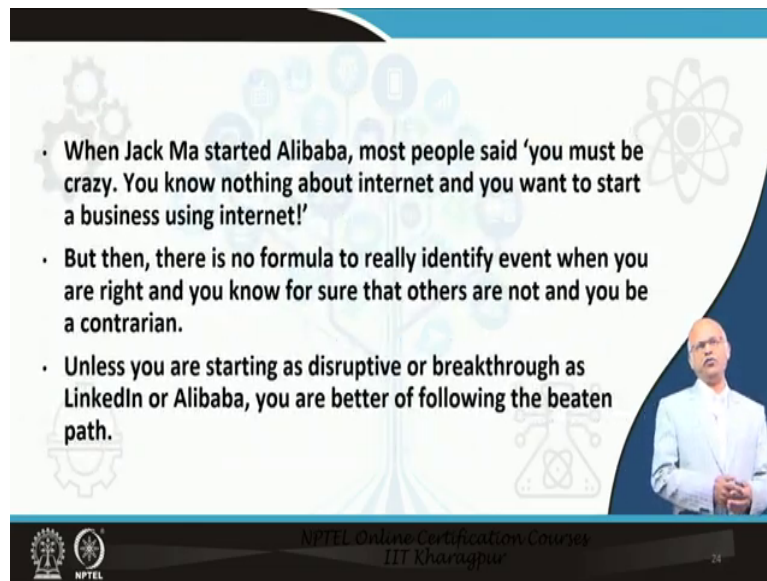
- While it would be wonderful to have a perfect product-market fit, it may not always be realized for many reasons.
- **Importantly, you may not have the vision to see how they would actually react when the product is in the market.**
- In the case of disruptive products/service, customers may not be aware about the need. But they may actually be enamored to receive a solution.
- **So you may actually be a contrarian with confidence: you know that others do not know what you know.**
- Reid Hoffman explains how very smart people told his team “You must be nuts” when they pitched about LinkedIn.

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While it would be wonderful to have a perfect product market fit it may not always be realized for many reasons. Most of the important reason is that, you may not have the patient to see that customers has a pain, you talk to the customers they do not have much idea about neither the pain nor the solutions they may even think that a solution is not possible. So, you actually have to be a contrarian you have to understand that people do not understand what they have.

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The slide features a white background with a blue header and footer. On the right side, there is a small inset image of a man in a white shirt speaking. The main text is a bulleted list. The background is decorated with faint icons of gears, a tree, and a network diagram.

- When Jack Ma started Alibaba, most people said 'you must be crazy. You know nothing about internet and you want to start a business using internet!'
- But then, there is no formula to really identify event when you are right and you know for sure that others are not and you be a contrarian.
- Unless you are starting as disruptive or breakthrough as LinkedIn or Alibaba, you are better of following the beaten path.

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So, be a contrarian and come up with a solution and way. Like when Jack Ma started Alibaba, most of the people around him said you must be crazy you know nothing about internet and you want to start a business using internet. And then eventually it become one of the most valuable companies in the world.

So, need to be a contrarian unless you are starting as disruptive or as breakthrough as Linked in or Alibaba you should really be careful about this audacity that you understand what people do not understand it may be better for you to follow the beaten path, meaning that you try to understand customer pains through empathizing come up with a solution.

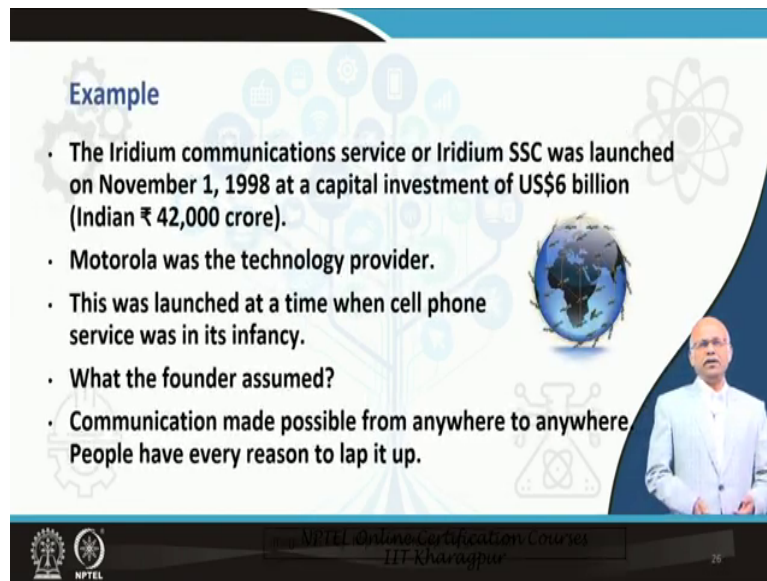
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- When people, whatever smart, are reflecting on your idea, it is difficult, if not impossible, for them to have the same vision as yours.
- Their horizon may be narrow or shortsighted.
- These are flip side of validated learning process.

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Go through the validated learning process meaning build a prototype get it validated by customer get customer feedback refine the product then again approach to the customer this whole cycle should continue as long as customers different customers not the same customers tell you that they are satisfied with this product if it is there in the market they are going to buy.

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Example

- The Iridium communications service or Iridium SSC was launched on November 1, 1998 at a capital investment of US\$6 billion (Indian ₹ 42,000 crore).
- Motorola was the technology provider.
- This was launched at a time when cell phone service was in its infancy.
- What the founder assumed?
- Communication made possible from anywhere to anywhere. People have every reason to lap it up.

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So, this is a wonderful example we mentioned this earlier. Iridium communications spent 6 billion dollar which is more than 72 42000 crores in today's exchange rate. That was in 1989 only to realize that customers are not actually buying their service.

They were offering communication from anywhere and everywhere through 66 satellite that is that was launched around the world around the earth. So, that any communication from anywhere can be routed through any of 66 satellites through 66 satellites to reach to any place whatsoever wherever you are.

So, they thought that we know customers problem and we know that if we come up with a solution customers have going to buy.

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The slide is titled "Facts" and features a list of six bullet points. The background is light blue with various icons like a gear, a smartphone, and a satellite. A large blue arrow points downwards with the text "Customers did not want it". A speaker in a white shirt is visible on the right side of the slide.

Facts

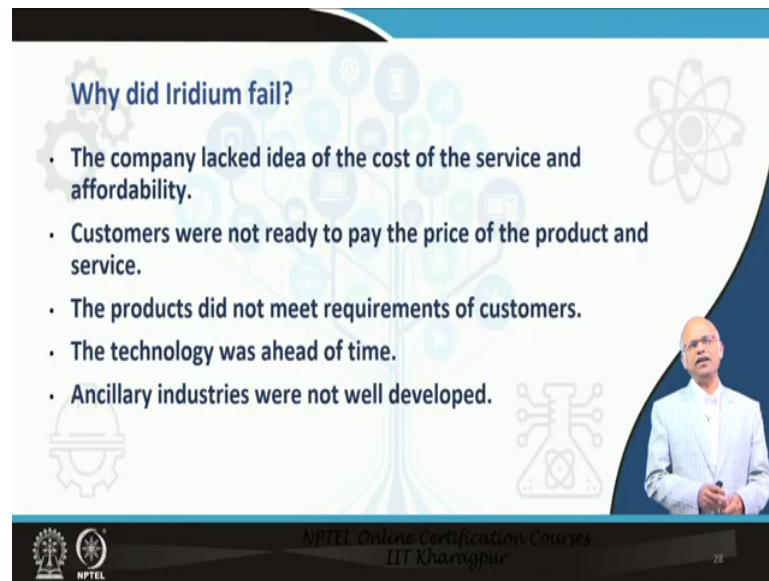
- Nine months later, on August 13, 1999, filed for bankruptcy. Why?
- Every single call has to be routed through all satellites. Required entire constellation of 66 active satellites to make any call.
- The cost of service was prohibitively high for the most users.
- Indoor reception was poor, if at all possible.
- The hand held device was bulky.
- The present owners bought it for US\$35 million.

Customers did not want it

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So, after spending 42000 crore rupees and launching a product eventually they filed for bankruptcy in 1999 only 9 months after they launch that product. This is a glaringly vivid example of lack of understanding of value proposition, and it points finger to everybody that everybody should understand your value proposition and then build the product based on that. Eventually they sold the company only for 35 million dollars.

(Refer Slide Time: 23:35)



Why did Iridium fail?

- The company lacked idea of the cost of the service and affordability.
- Customers were not ready to pay the price of the product and service.
- The products did not meet requirements of customers.
- The technology was ahead of time.
- Ancillary industries were not well developed.

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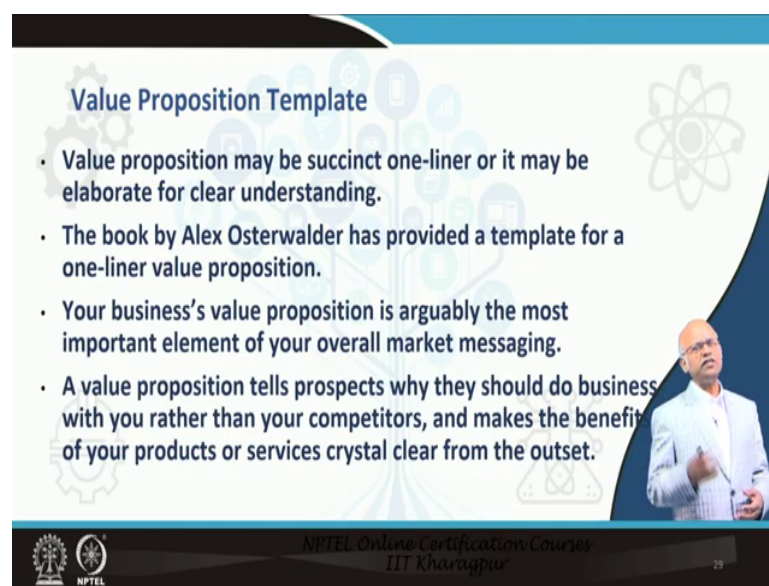
And the fact is that customer did not want it. Why? Because the services were very costly then customers were not ready to pay so, they did not even ask the customer that this is what our service is going to be are you ready to pay for that, either they did not do that or they did not understand what the cost is going to be.

So, they did not even bother to do the math as to what the cost is going to be just launched it, thinking that it solves a unique problem of the customer and that is communication from anywhere to anywhere. That problem was there, but then the solution was not a product market fit for many reasons.

That time the internet was not so all pervasive the telecommunication advancement which happened after that was not there. So, many of the supporting industries were not matured at that point.

So, everything together first of all it was ahead of time in terms of technology second of all they did not do the value proposition assessment.

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Value Proposition Template

- Value proposition may be succinct one-liner or it may be elaborate for clear understanding.
- The book by Alex Osterwalder has provided a template for a one-liner value proposition.
- Your business's value proposition is arguably the most important element of your overall market messaging.
- A value proposition tells prospects why they should do business with you rather than your competitors, and makes the benefits of your products or services crystal clear from the outset.

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So came the value proposition template. It is value proposition per se is a succinct one liner meaning in one line it should be able to communicate value, but then that may not may not be so much meaningful for an entrepreneur value proposition should be done using a detailed elaborate piece of elaborate exercise on a piece of paper. So, that everybody can have a look

at it and get a fair insight what the value proposition is and then they should build their own and they should work or they should be guided as per the value proposition.

So, this one liner is given by Alexander Osterwalder. Businesses value propositions is arguably the most important element of your overall market messaging, meaning that we have seen the sales funnel and through the sales funnel if you want to send prospect to convert them into customer your value proposition is absolutely important.

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The slide features a white background with a blue header and footer. The title 'Some Value Proposition Statements' is in blue. A list of four examples is provided in black text. A speaker in a white suit is visible in the bottom right corner. The footer contains the NPTEL logo, the text 'NPTEL Online Certification Courses IIT Kharagpur', and the number '30'.

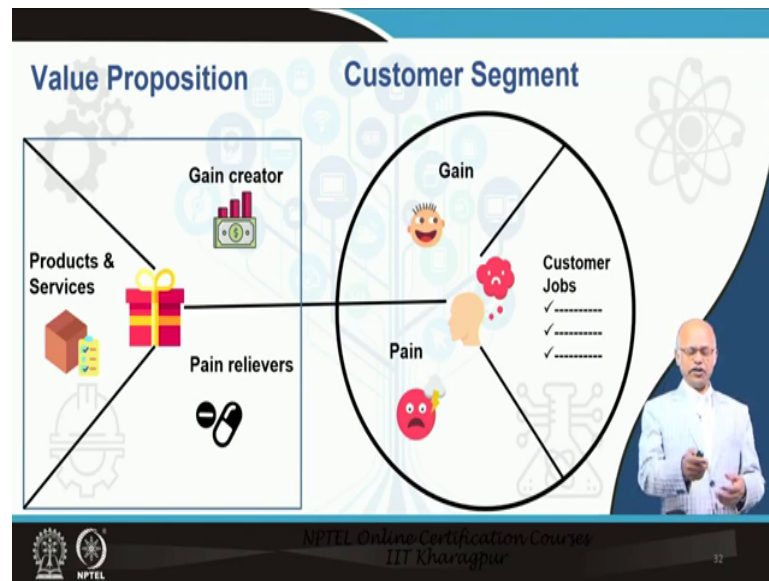
Some Value Proposition Statements

- Uber – The Smartest Way to Get Around
- Apple iPhone – The Experience 'is' the Product
- Digit – Save Money Without Thinking About It
- CrazyEgg – Website Behavior Tracking at an Unbeatable Price

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Here are some of the value proposition statements. Uber says the smartest way to get around etcetera.

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Now, we are trying to build a value proposition canvas, first the structure of the value proposition canvas. So, here is the customer say we represent that with a one man thing and customer is wondering how to get its his or her jobs to be done.

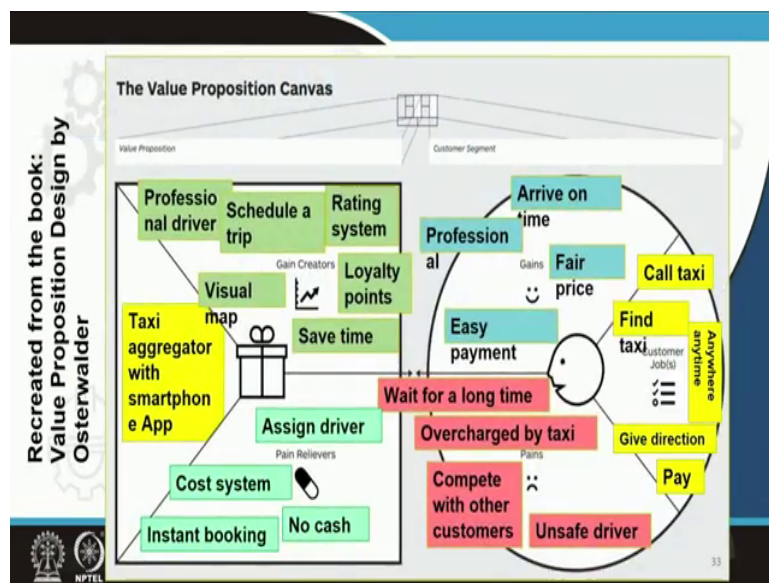
So, first thing they have a lot of jobs the they are worried about how to get it done. Second is they have a lot of pains maybe, because of the job is not getting done properly or if even if the job is done there maybe unmet pain. Then they would like to gain something out of it other than other than the jobs getting done they would like to get something beyond and if you can do that perhaps you have a wonderful proposition.

So, we have a value proposition on the other side. This contains the products information the features of the product that we are going to offer a lot of them, and then we are also trying to create some means that our product is going to relieve the customers of the pains. At the same

time you also would like to give them some gain so customers would like to get some jobs done and we have the products and services.

Customers have pain we try to relieve the pain better than the competitors, customers will be enamored to have some gains also and we try to build the product that has features or benefits that will that will be perceived by the customers as gains beyond competitions.

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Here is an example I have taken this from the book of Alexander Osterwalder that is value proposition and from different other sources this value proposition canvas is for taxi aggregator we will very quickly complete this you have discussed this while discussing the business model canvas. So, it is the same thing, but pointing the different elements and different blocks.

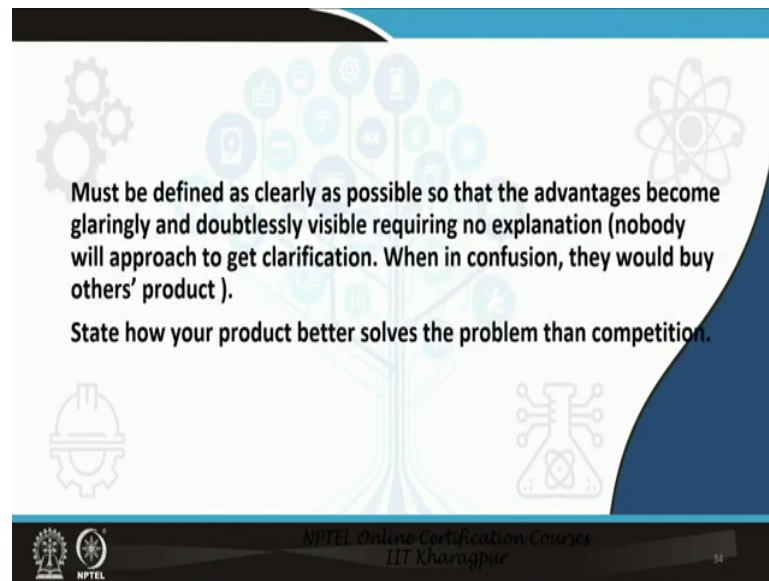
So, a taxi aggregator an individual or a customer requires to find a taxi, earlier there was it was very difficult to find a taxi now they would like to get it from anywhere, sitting at anywhere they just would like to book a taxi. So, finding a taxi is a problem anywhere is a problem or is a job give direction is a job, making payment is a job then there are pains like waiting for a long time over just by taxi by taking him through a long route or maybe charging at a higher rate.

Then, there are unsafe drivers at the same time we can perhaps customers perhaps look forward to some gain something like if he can arrive in time then the drivers should be professional or maybe they will charge fair price or maybe there should be some easy payment process etcetera.

Now, that is look at how the taxi aggregators are fulfilling all the requirements and doing it much better than the traditional taxi drivers. So, taxi aggregators with a Smartphone app they are alleviating the pain by assign driver. So, anywhere problem is solved because you can just through internet you can book and get a taxi anywhere and anytime they have a different cost system. So, eventually the system is actually gradually improving and cost is coming down instant booking no cash so, payment problem is solved.

And then there are so many other gains like professional drivers you can schedule a trip even for suppose you are going to some other country you can schedule a drive a driver or a drive a trip online even a month in advance. You have a rating system so the driver will be careful there are loyalty points meaning that if you are approaching if you are taking service from different service provider then there will be some motivator so you can make some extra money through that.

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Must be defined as clearly as possible so that the advantages become glaringly and doubtlessly visible requiring no explanation (nobody will approach to get clarification. When in confusion, they would buy others' product).

State how your product better solves the problem than competition.

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So, but then this as always I have been underlining this issue that you have to clearly articulate so, that your value proposition is glaringly visible doubtlessly visible. So, that everybody knows about it and they become customer.

(Refer Slide Time: 30:45)

The slide features a blue header with the title "Value Proposition Is Usually a One-Sentence statement". Below the title are two bullet points. The first bullet point is in red text and describes a general value proposition template. The second bullet point is in green text and provides a specific example for a book. On the right side of the slide, there is a small image of a man in a white shirt, presumably the presenter. The slide also includes the NPTEL logo and the text "NPTEL Online Certification Courses IIT Kharagpur" at the bottom.

Value Proposition Is Usually a One-Sentence statement

- Our (products or service) help(s) (customer segment) who want to (jobs to be done) by (your own verb such as reducing or avoiding) and (your own verb such as increasing or enabling). You may also add a mild criticism of the competing products in general, writing (unlike: competing value proposition).
- Our (book) help(s) (business professionals) who want to (improve or build a business) by (gaining latest knowledge on strategies) and (gaining deep insight) unlike books without focus on the real issues.

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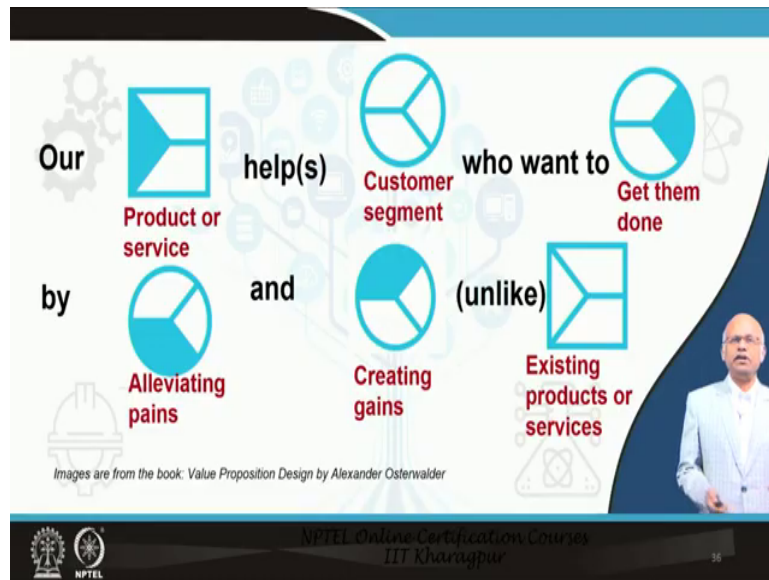
Now, there is a statement one line statement given by Osterwalder using which you can write your own value proposition a statement.

Of course whatever we have discuss that is about creating value proposition this is just putting them in a very succinct manner and one sentence perhaps. So, this red liners, red text are actually blank space you can fill that in. Our product or service helps customer segment meaning address into the customer who want to get some job done by using our service and something even more.

And then you can add some point to hit the competitor not very unethically, but very ethically. So, you can make some mild criticism to the customer here to the competitors. Say, Osterwalder actually gave this for his book on business model he says our book helps business professionals, who want to improve or build a business by gaining latest knowledge

or strategies and gaining deep insight, unlike books without focus on the real issue like other books.

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Value Proposition: Example of an Entrepreneurship Book

- Our (book) help(s) (business professionals) who want to (improve or build a business) by (avoiding or making stuff nobody wants) and (creating: clear indicators to measure progress) unlike books without focus on the real issues.
- Our interactive pedagogy, built by professionals with deep experience and of proven effective learning, helps those who want to gain quick expertise in AI through a flexible & convenient schedule and regular feedback on the performance unlike the other rigid and monotonous online courses.

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So, likewise this is the blank statement you can just fill that in and then you have the business model value proposition statement done.

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The slide features a light blue background with a central graphic of a tree whose branches are composed of various icons representing technology and business concepts. The title 'Value Proposition Canvas' is positioned at the top left. A text box in the center contains a bullet point and a URL. On the right side, there is a small inset photograph of a man in a white suit. The bottom of the slide includes the NPTEL logo and the text 'NPTEL Online Certification Courses IIT Kharagpur'.

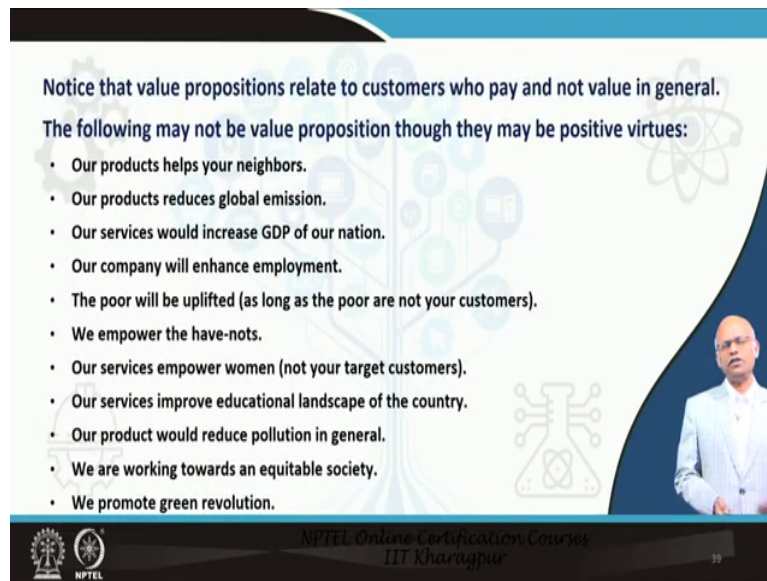
Value Proposition Canvas

- See the video at <https://strategyzer.com/canvas/value-proposition-canvas> by Alexander Osterwalder.

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Say same thing, now populated. This is a wonderful presentation by Osterwalder himself so it is better that all of you should visit this presentation ones will be a supplement for, for remaining of the knowledge that you need.

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Notice that value propositions relate to customers who pay and not value in general.

The following may not be value proposition though they may be positive virtues:

- Our products helps your neighbors.
- Our products reduces global emission.
- Our services would increase GDP of our nation.
- Our company will enhance employment.
- The poor will be uplifted (as long as the poor are not your customers).
- We empower the have-nots.
- Our services empower women (not your target customers).
- Our services improve educational landscape of the country.
- Our product would reduce pollution in general.
- We are working towards an equitable society.
- We promote green revolution.

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Now, we are always misguided by repeated mention about value and value creation, but we should be mindful about many of the things which does not create value either for the customer or for the company. You should not lose focus from the customer. Suppose you say that our products helps your neighbor customers neighbor is not interested about your product customer is interested so focus on the customer. Say our products uses global emission maybe customers that you are serving are not concerned about global emission.

See it is not going to create value for you, your focus may be to reduce global emission that may be a different thing altogether, but you must not use this as a value proposition customer will say, so what something like that and then they may not buy. Say our company will enhance employment no customers will be customer will be interested we empower the have nots. All these social issues environmental issues may not form part of the value proposition, because customers may not be willing to pay more for this and they may go to competitors

who do not say this, but say something which connects well with their, their requirement or their problems their say their persona whatever.

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The slide features a central graphic of a tree where the trunk and branches are composed of various icons representing technology and business concepts, such as a smartphone, a laptop, a gear, and a network diagram. The background is a light blue gradient with a dark blue curved border on the right side. A small inset image of a man in a white shirt is positioned in the bottom right corner of the slide content.

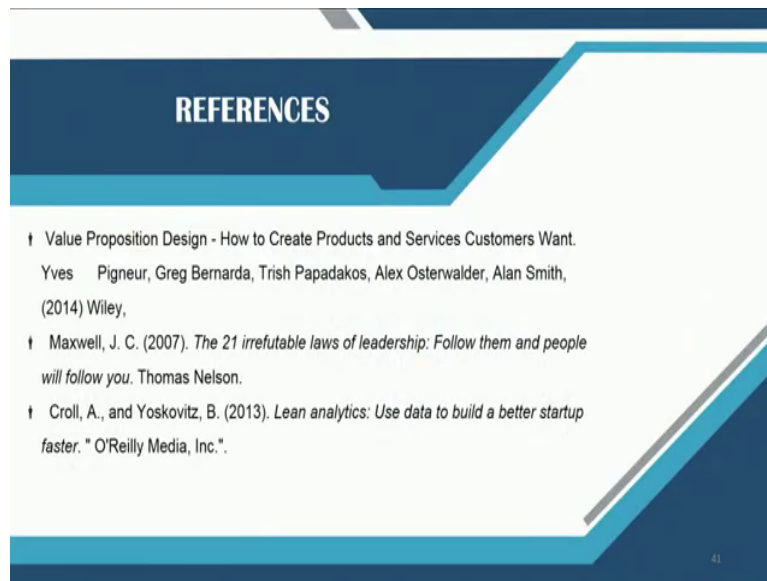
Value Proposition Canvas

- See the free slides at <https://www.slideshare.net/esaife/value-proposition-canvas-101>

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(Refer Slide Time: 33:55)



Value proposition canvas there are other slides as well, here is a few references including Osterwalder himself. There are some books also, but additionally there is there I should have mentioned this beginning there is a wonderful lecture series by Stanford university.

(Refer Slide Time: 34:02)

Good Video Lectures and Reading Materials

- <http://startupclass.samaltman.com/>
- http://darwine.nl/weblog/files/Stanford-How_to_Start_a_Startup.pdf

The slide features a background with a stylized tree of icons representing various fields like engineering, science, and technology. At the bottom, there are logos for NPTEL and IIT Kharagpur, along with the text 'NPTEL Online Certificate Courses IIT Kharagpur' and a small number '47'.

Where Sam Altman, actually took something like twenty four lectures meaning by the whose of the businesses, all means all lecturers are CEOs or top people of present day successful businesses including LinkedIn including Facebook including Y Combinator, Waltman was in Y Combinator at that point of time.

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CONCLUSION

- People are generally infatuated about their own ideas. They mostly focus on the inventive steps, intellectual depth and novelty.
- They are frequently blind about the unique requirements of customers and cost of their products or services.
- They end up investing valuable time and resources only to eventually realize that the product or service they so assiduously made is not attractive to customers.
- A clear understanding of the value proposition, on the other hand, helps to choose the right idea early on saving the time and avoiding cash burn on potentially failing ideas.

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Here is few comments what conclusions, but it is very important unlike other conclusions. So, it should pause and read.

Thank you very much.