



# Hello and Welcome !

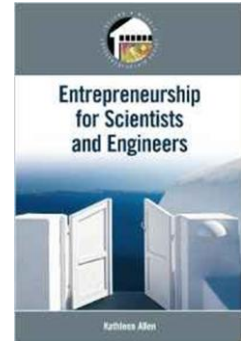
## Please call me...

### "Coach S."



Today's  
Webinar  
Topic:

## Value Proposition Design (V.P.D.)



Senior Business Adviser SBDC  
Growth Wheel Int'l Cert. Biz Adviser  
Adjunct Professor @ GMU's  
School of Engineering  
GMU Mentor in Residence

Mentor @ 3 NoVA Tech Accelerators  
Entrepreneur, Investor  
Co-Founder Marketing Strategy Firm

- Retired U.S. Navy Captain
- BS Engineering U. S. Naval Academy
  - Masters CMU
- Former Executive, ExxonMobil
- Kellogg, Thunderbird Schools
  - Lean Process GBelt
  - Published

Mason Enterprise Center, Fairfax, VA



# Value Proposition Design (VPD): A “Calibration Point” for any business venture at any stage of their business maturity

➡ Lets Thank our Community Sponsors!



# FYI: Small Business Development Centers

- over 1000 Centers Nation-Wide
- 27 Virginia SBDC Centers
- Guidance, Coaching, Resources, Educationn, Access to Capital and more!

No Cost 1-on-1 Business Counseling!

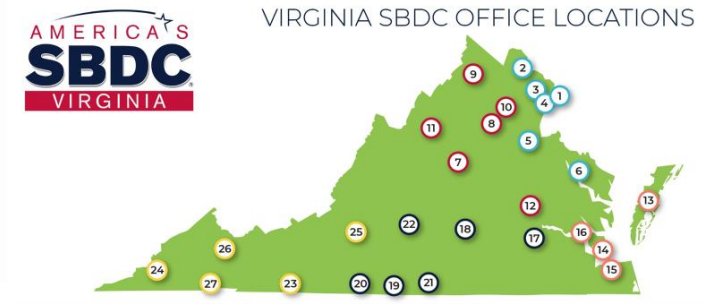


U.S. Small Business  
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American Samoa  
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Puerto Rico  
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George Mason  
SBDC  
Home - Mason SBDC

[Find Your SBDC - America's SBDC \(americassbdc.org\)](http://americassbdc.org)



- *Anatomy of a Typical Small Business Entrepreneurial Journey*
- *Legal & Admin Steps to Starting a Business*
- ***Value Proposition Design***
- *Small Business Financing*
- *Preparing your Business Briefing / Narrative / Pitch*
- *Marketing 101*
- *Government Contracting 101*
- *Digital Marketing – SEO and Social Media Marketing*
- *Accounting, Budgeting, Financial Management;*
- *Performance Management – Guide to Key Performance Indicators / Biz Dashboards*
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  - *Taxes, HR, Legal, Real Estate,*
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[Find events | U.S. Small Business Administration \(sba.gov\)](#)



Thank  
you!



HELLO  
my name is

"Coach S."

George Siragusa  
Senior  
Business  
Adviser

<https://www.linkedin.com/in/georgesiragusa/>

Seeking our ***NO-COST*** Business  
Assistance?

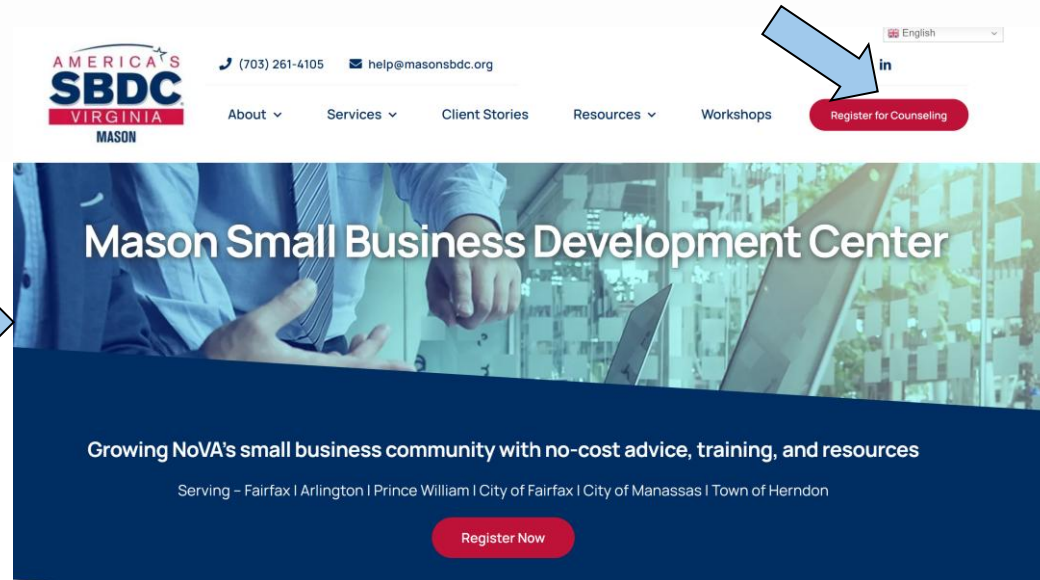
Mason SBDC  
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Our Website:

[www.masonsbd.org](http://www.masonsbd.org)

- **Resources:** <https://www.virginiasbd.org/>
- **Contacts:** [help@masonsbd.org](mailto:help@masonsbd.org) or (703) 261-4105
- **1:1 Counseling:** <https://clients.virginiasbd.org/reg.aspx?mode=counsel&center=46110&subloc>
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**Welcome pre-Venture  
Startup Companies!**

**Hello Early Stage Companies !**

**Welcome Growth Companies!**

**Good Day to our  
Mature Businesses!**



# Value Proposition Design

## NOTE:

At nearly any point in the maturity of any business, **Startup, Pre-Venture, Growth and even Maturity,** it is advisable to seek clarity about **the value** you believe your business hypothesis might be creating in the marketplace.

It is advisable to review the **Value Proposition Design (VPD)** webinar video and presentation **at this link:**

[https://myemail-api.constantcontact.com/Mason-SBDC-Follow-Up-Building-Your-Value-Proposition-Design-May-15th-2024.html?soid=1102549439320&aid=GOY\\_Qnd5A1g](https://myemail-api.constantcontact.com/Mason-SBDC-Follow-Up-Building-Your-Value-Proposition-Design-May-15th-2024.html?soid=1102549439320&aid=GOY_Qnd5A1g).





*Typical scenarios where today's topic may be applicable*

**Welcome pre-Venture  
Startup Companies!**

Is my biz  
idea viable?

**Hello Early Stage Companies !**

Who is my  
Customer?

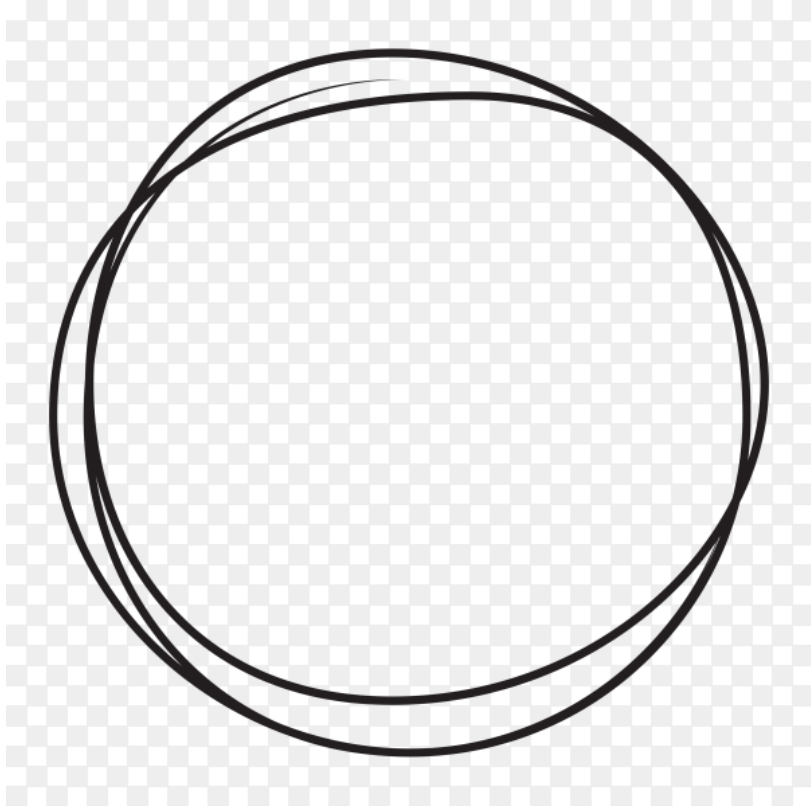
**Welcome Growth Companies!**

Is my idea  
Scalable?

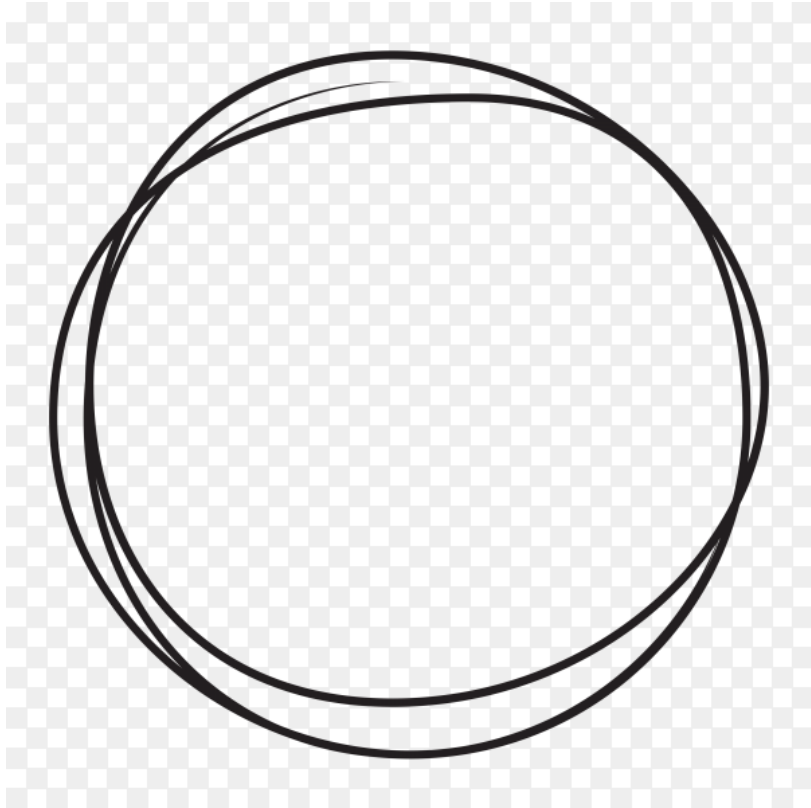
**Good Day to our  
Mature Businesses!**

How am I  
differentiated?

This is a “story” of the “*CIRCLE*” and the “*SQUARE*”



This is a “story” of the “*CIRCLE*” and the “*SQUARE*”



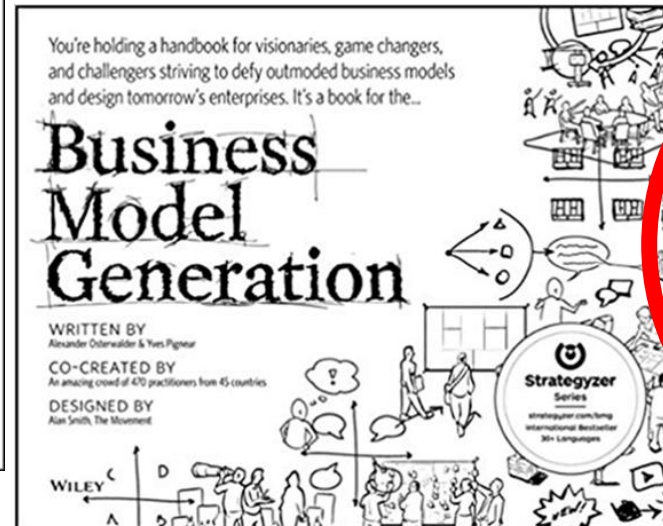
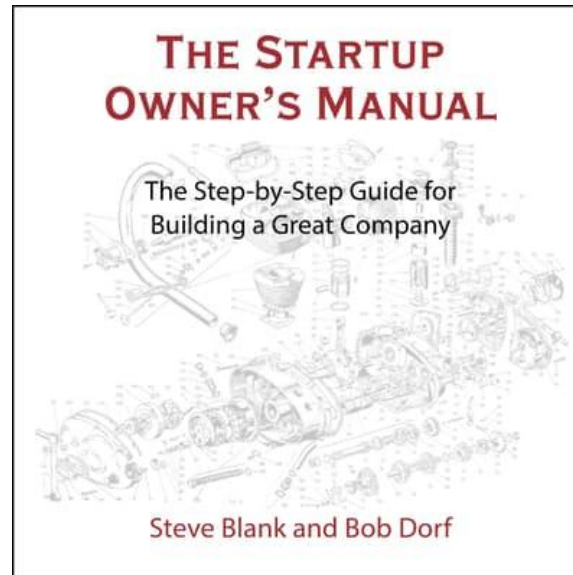
Simple but ***POWERFUL*** framework!



Both the BMC and VPD concepts, as taught by **George Siragusa** helped to focus our efforts in my business startup. It is fundamental to any new business and foundational for rising business entrepreneurs. You all are in good hands!

Mason SBDC Client Feedback

For context, there is a body of work that helps shape business success – at any level of maturity



# “Coach S” - A Friendly Workshop Challenge? :



...please consider applying

*just 1 tip*

you may learn today  
to your business – *tomorrow!*





# Today's Learning Objectives:

***Upon completion of this workshop you should be able to:***

- ☐ ...be introduced to or *review the principles surrounding the **foundational value of the Value Proposition Design (VPD)** to your business – the “Circle” and the “Square” !*
- ☐ ...be able to list, describe then **communicate** those attributes, features and **benefits** that are the **most appealing** (needed and wanted) to the **target market/customer segment(s)**
- ☐ ...review lessons learned from real world clients and cases using the VPD framework
- ☐ ...understand how key elements of the **VPD can offer fresh perspectives** to help inform actions you can take that may lead to continuous improvement and further growth
- ☐ ...begin to see the **connection between the VPD, message mapping and your marketing strategy & tactics**

❑ Learning Objective #1: Upon completion of this module, you will...

*“be introduced to or refresh your knowledge of the principles surrounding the foundational importance of the Value Proposition Design (VPD) to your business.”*



# A Value Proposition Perspective



“Value proposition is essential for achieving business success.”

It is an iterative process that emphasizes creating **Minimal Viable Products (MVPs)**, conducting swift market testing, and rapid refinements based on real-world feedback

Your company's Value Proposition is a framework that explains **what benefit your business provides, for whom, and how to do that uniquely well versus substitutes.**

.





The ***clarity that VPD can bring you***, aids your focus on your intended targeted customers, helps assess competition, ask you to differentiate your products or services, and reminds you to create, communicate, deliver and extract value to remain relevant in a dynamic marketplace.

The VPD forms a rock solid business foundational platform.

It is a framework to better position and align your capabilities to your customers' needs.

It helps you create real value...which attracts buyers.



**With the help of the VPD framework, our Mason SBDC team helps founders validate early-stage ideas, de-risk opportunities, and build successful foundations.**



### **Have you identified a problem?**

VPD can help you zero in on a problem worth solving.

### **Have you validated the need?**

No business plan survives first customers. VPD can guide a structured customer discovery process, transforming hypotheses into demonstrated customer needs through primary research with end users.

### **Is your “MVP1” a good problem solution fit?**

Finding product-market fit is a challenge for any startup journey. VPD can help you quickly explore and test a range of mission-aligned MVPs with target customers, increasing the odds for success

### **Do you have the right team?**

All great startups require the efforts of world-class teammates and collaborators. VPD and the SBDC can help.

### **Have you identified your first set of customers?**

To really test, iterate on, and scale an idea, you need customers. VPD helps you focus on that first set of customers, ensuring you're set up for success.

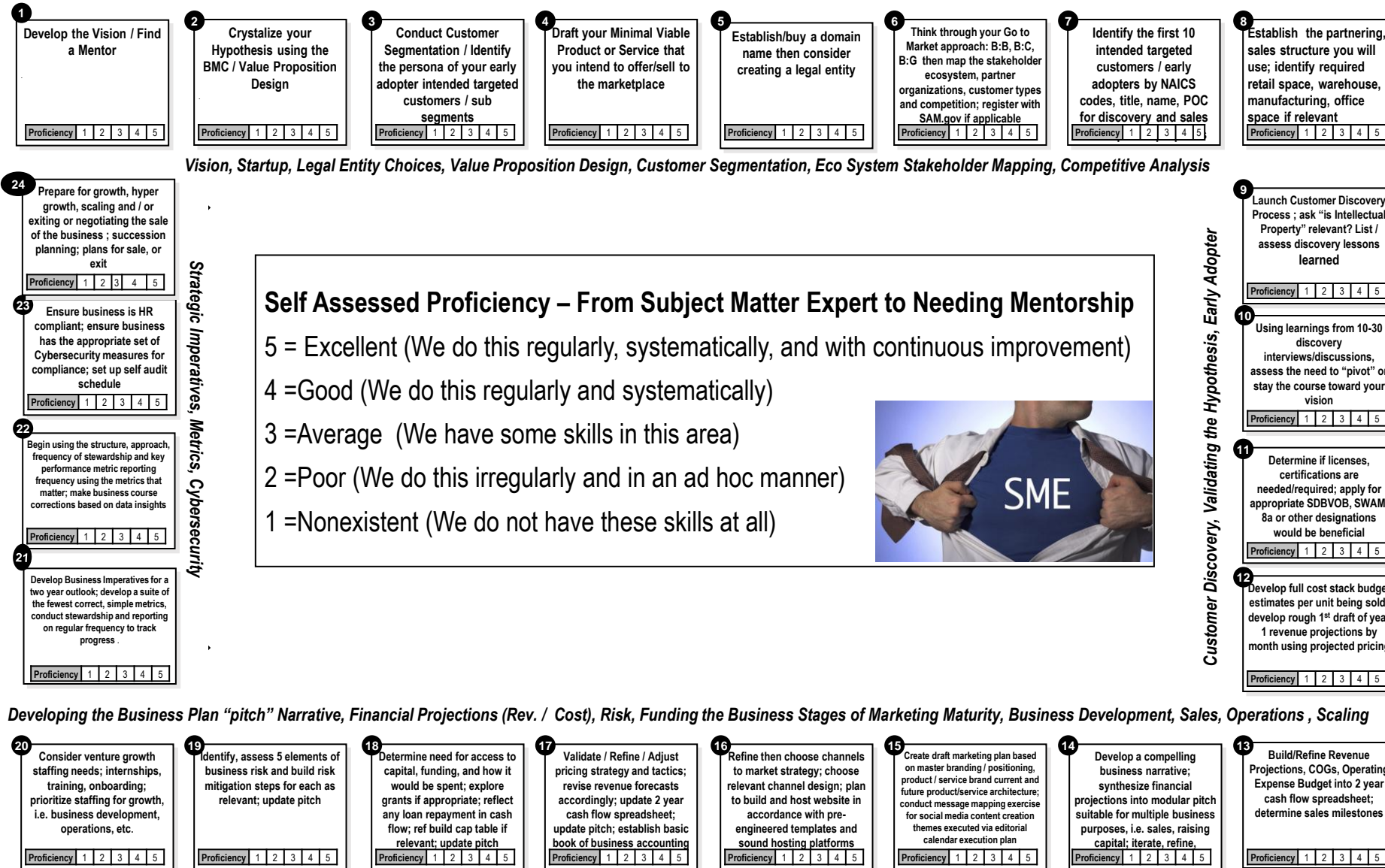


# **BUILD A SOLID FOUNDATION**





# This “Typical” Entrepreneurial Journey Map Features:



**“Typical” Roadmap**

**4 Broad “themes”**

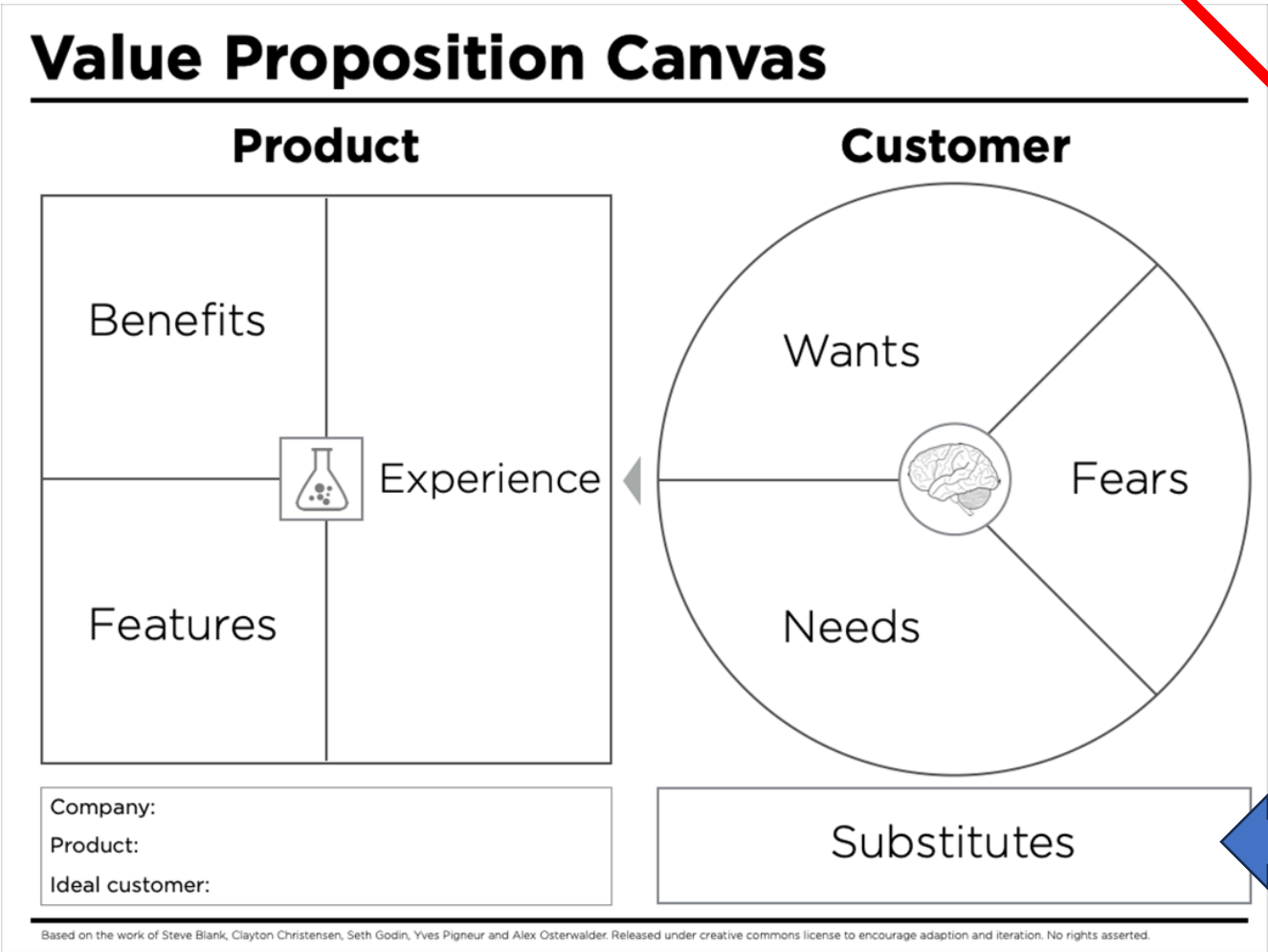
**24 Work Blocks or “Action” Elements**

**Self - Assessment “Proficiency Rating”**



# Step # 2 In the Entrepreneurial Journey

*Did you complete the Value Proposition Design and worksheet ?*



**Did you conduct a thorough side by side comparison of the substitutes, the competition?**

# "Lean" Principles : Our Foundational starting point



## BENEFITS OF THE LEAN STARTUP

Be more innovative.  
Stop wasting people's time.  
Be more successful.



## Twitter

*"Lean Startup isn't about being cheap [but is about] being less wasteful and still doing things that are big."*



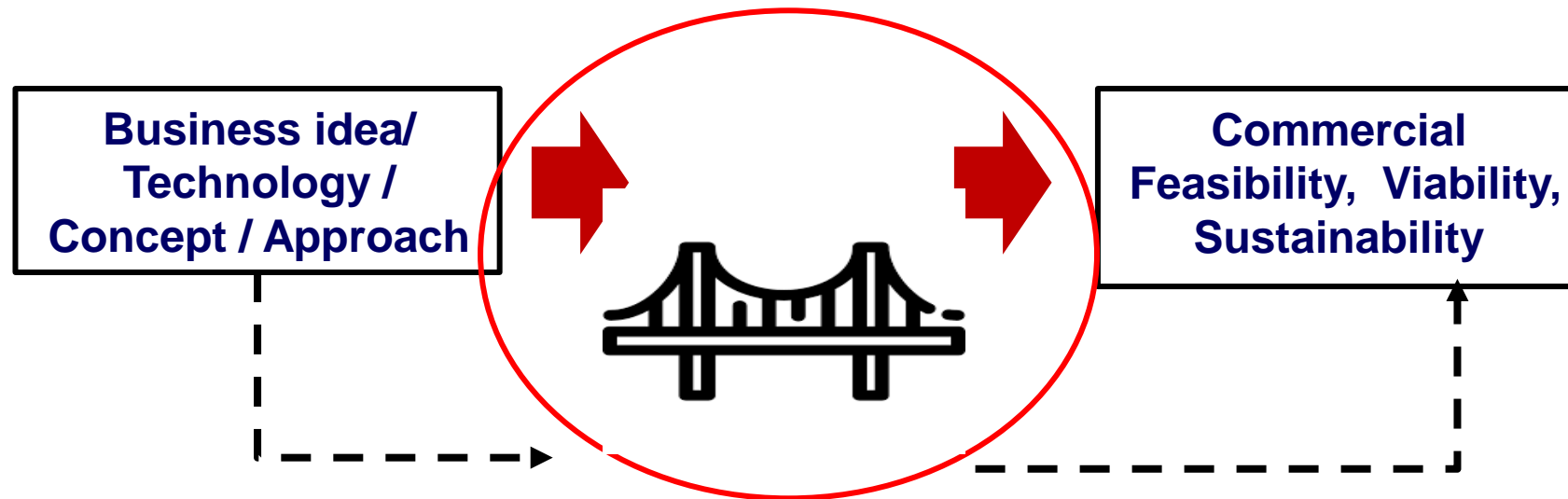
**"Lean"** refers to the process intended to :

- shorten product and service development cycles
- rapidly discover if a proposed business model is viable through validation and experimentation.

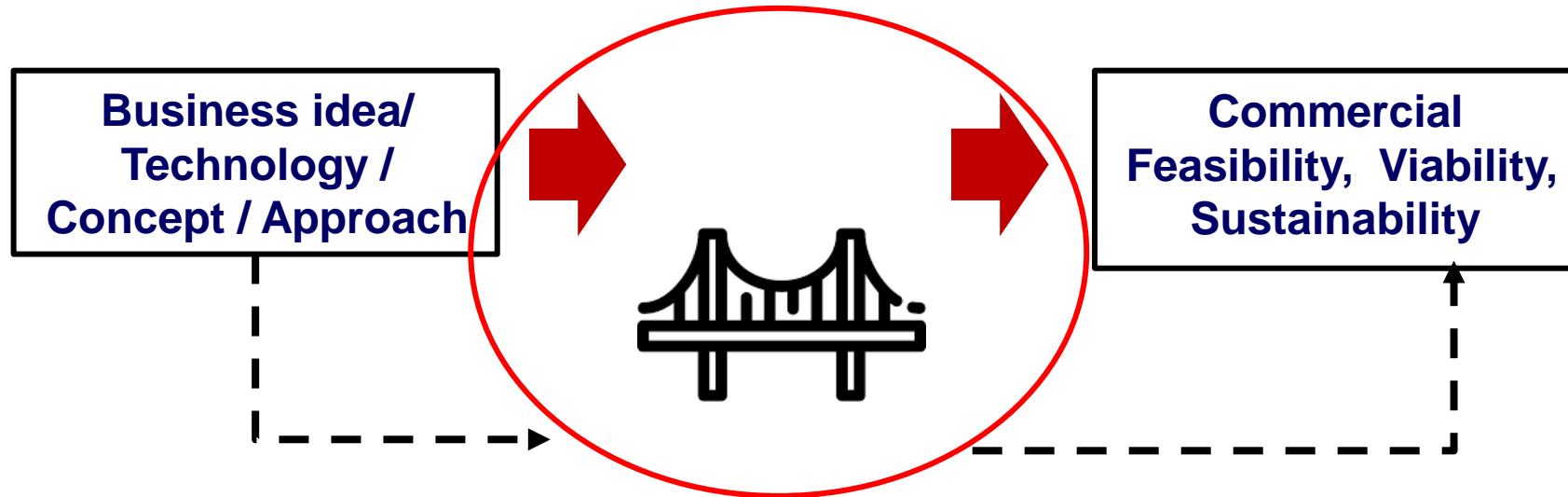
**Principles grew out of the “Lean” thinking because, regrettably,  
> 70% of Businesses (and Start-ups) fail within 2-3 years.**

Sources\*: <https://medium.com/swlh/why-90-of-startups-fail-and-what-to-do-about-it-b0af17b65059>

[278 of the biggest, costliest startup failures of all time \(cbinsights.com\)](https://www.cbinsights.com/blog/278-of-the-biggest-costliest-startup-failures-of-all-time/)



**There are a variety of factors for failure... ....but,  
at a Fundamental Core Level,  
there is a *common and cautionary lesson learned.***



**Business must aspire to**  
**1)Create, 2)Communicate, 3)Deliver,**  
**and 4)Capture (Market) Value...**

**...to ensure we get across the valley of death!**

# What are the Modern frameworks and tools available to help better ensure we *Create, Communicate, Deliver, and Capture Value?*...

...to ensure we get across the valley of death?



**9 Companies That Failed to Adapt to Disruption and Paid the Ultimate Price**



# Introducing *The Business Model Canvas (BMC)*

The 20 Minute Business Plan:  
Business Model Canvas Made Easy  
([alexandercowan.com](http://alexandercowan.com))

## Our modern tool to guide the business journey forward

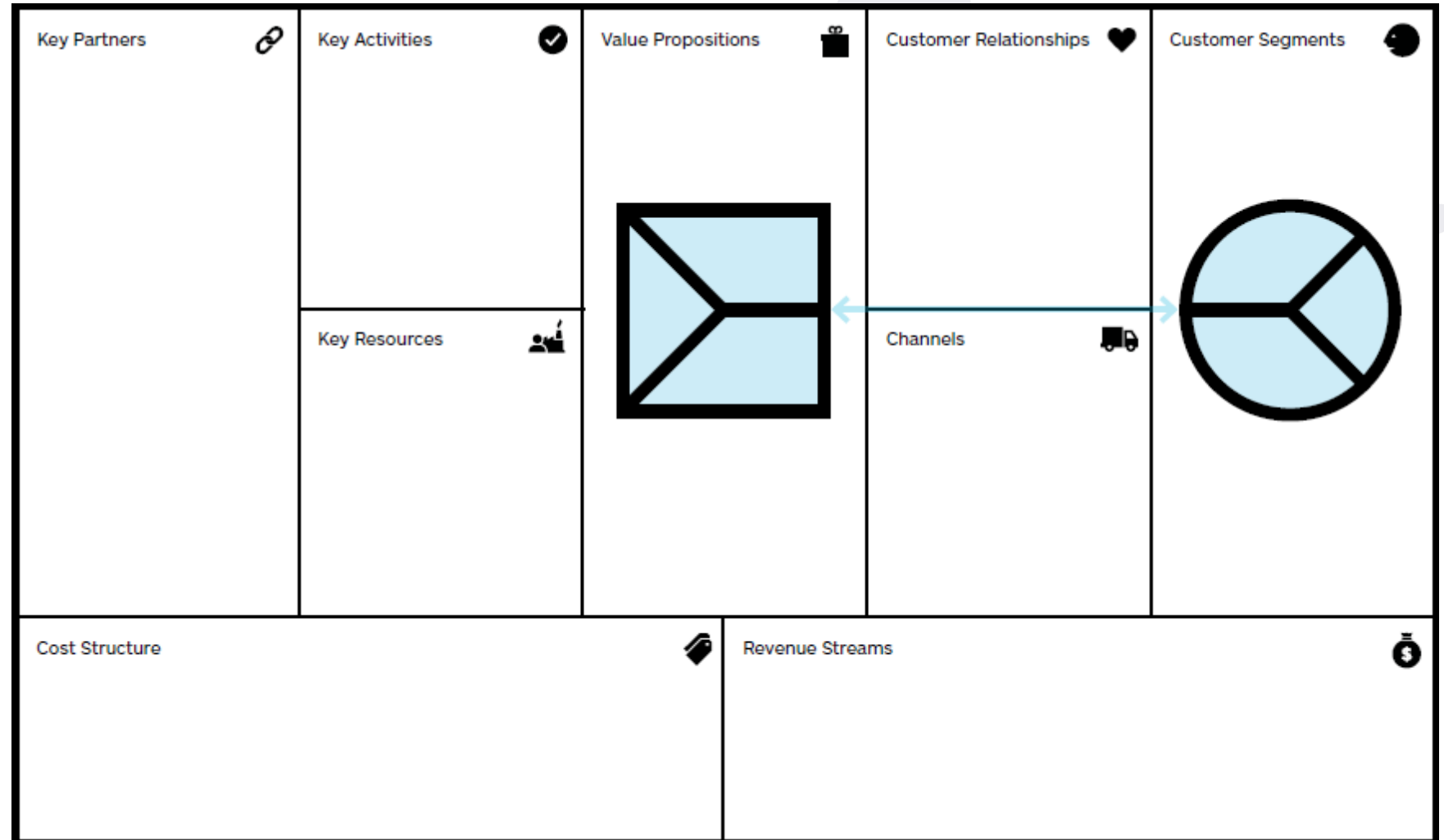
It is a **strategic management and lean template** for developing new (or documenting existing) **business models**.

It is a **simplified visual map** having 9 elements describing a firm's product's / service **value proposition**, relationships, customers, and financials.

It creates **common language** and a **shared understanding** around the firms' business approach.

It is an **alignment tool** that helps firms **manage highly inter-related activities**.

[Source: en.wikipedia.org](http://en.wikipedia.org)



[Strategyzer](#) | Corporate Innovation Strategy, Tools & Training

Details refer to <Value Proposition Design> [www.strategyzer.com/vpd](http://www.strategyzer.com/vpd)

# Our Value Proposition Design (VPD) is at the heart of the Business Model Canvas

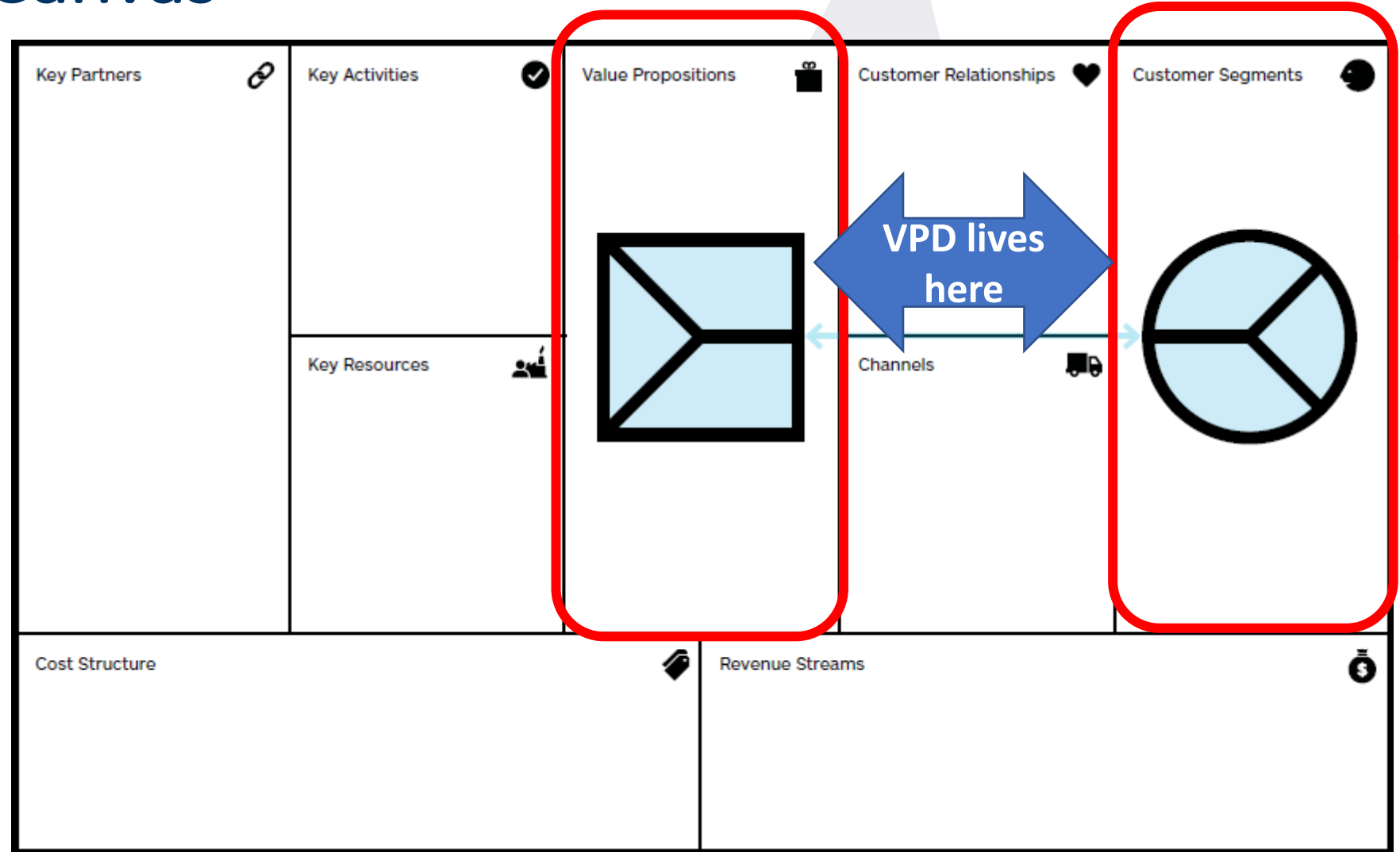
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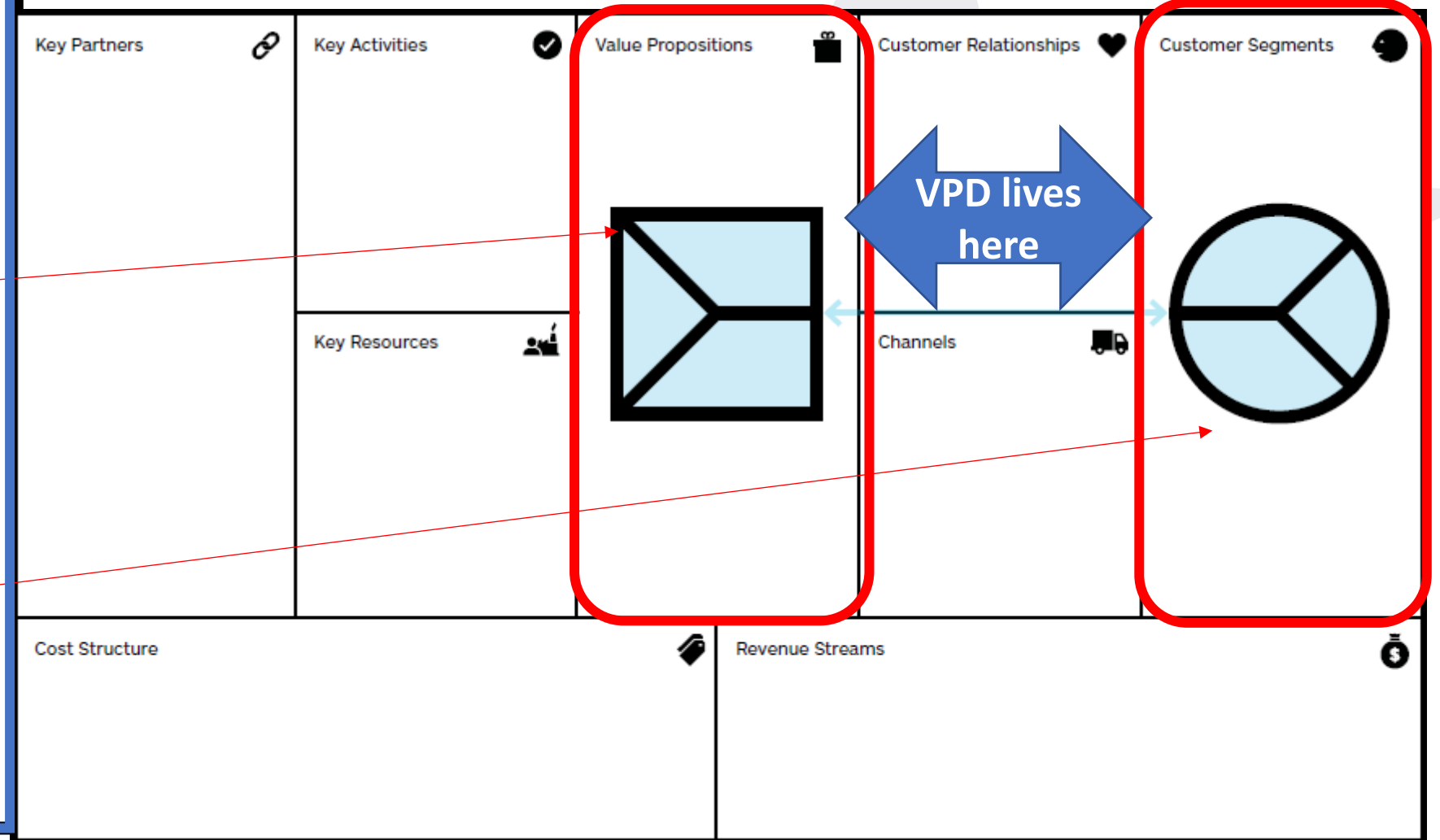
It creates common language and a shared understanding around the firms' business approach.

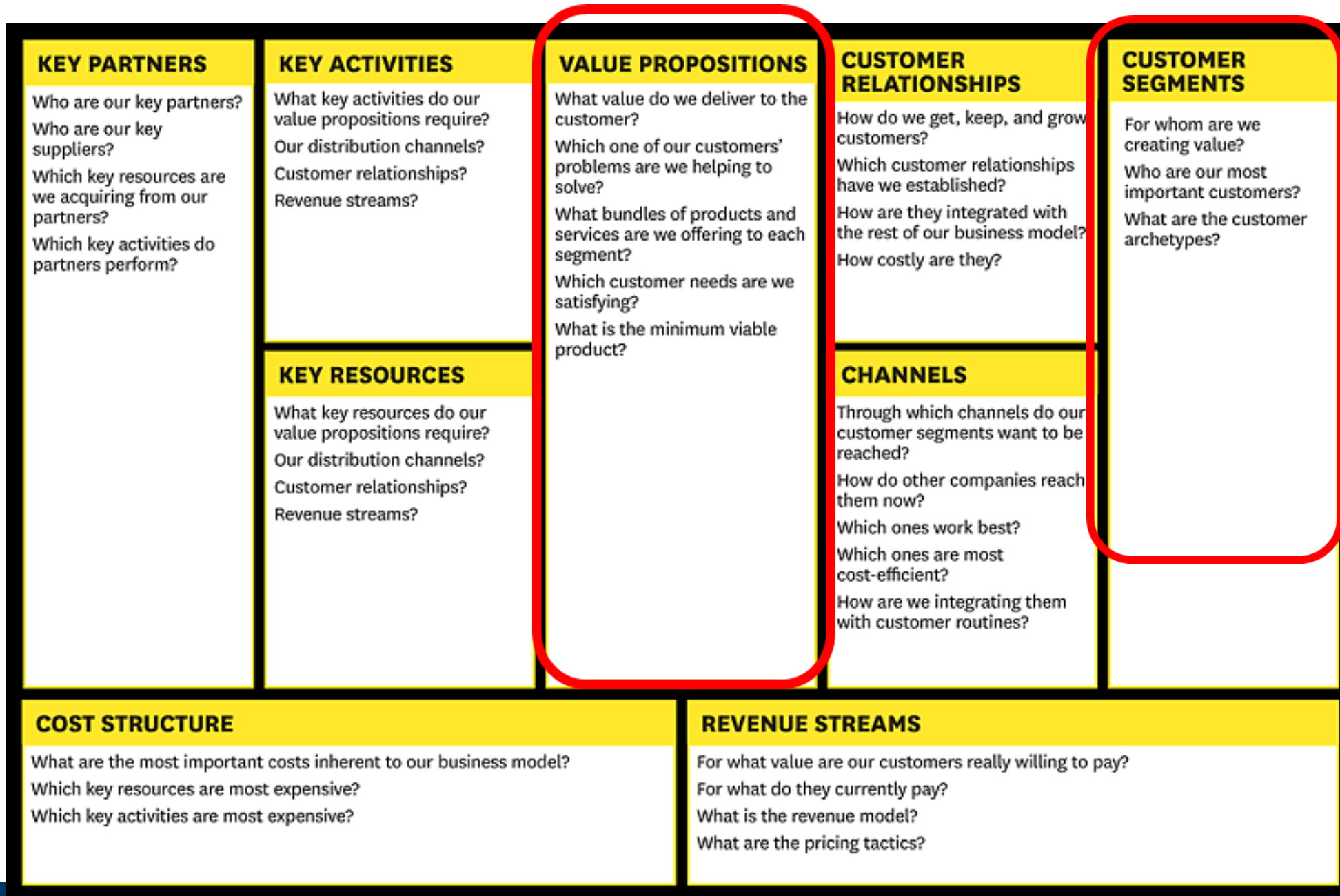
It is an alignment tool that helps firms manage highly inter-related activities.

[Source: en.wikipedia.org](https://en.wikipedia.org)



NOTE:  
You do not have a sustainable business unless you have a product/service offering (square) that creates real value that a specific client or customer (circle) will pay for.





**Basic Questions asked by the Business Model Canvas (BMC) specific to the Value Proposition Design (VPD)**



## BUSINESS MODEL CANVAS **NETFLIX**

### Key Partners



- Alliances with Smart TV companies
- alliance with gaming industry
- TV network companies
- Google and Amazon

### Key Activities



- Hire and retain
- Maintain and expand
- Produce, acquire and license
- Develop its pricing strategy
- retain current customer base

### Key Resources



- Software developers
- Recommendation system (algorithm)

### Value Propositions



- Users can stream 24-7, minus the ads
- View shows & movies in high-definition
- Stream content conveniently anywhere
- unlimited access to TV shows and movies
- Netflix's original
- New signups can avail a 30-day free trial
- cancel at any time
- Receive algorithmic recommendation
- Avoid commercials ads

### Customer Relationships



- Self-Setup Made Easy
- Exceptional Customer Experience
- Online Live Chat Services
- Social media
- Netflix gift Cards

### Channels



- Online streaming through the website
- Streaming on TV Apps and Gaming consoles
- Mail delivery for DVDs

### Customer Segments



- interested in watching movies, TV shows and documentaries
- content for children and adults

### Cost Structure



- Major purchasing rights establishment (TV shows and movies)
- Cost of producing movies
- Cost for recommendations, R&D and artificial intelligence
- Subscription maintenance cost
- DVDs and mail-related shipping costs

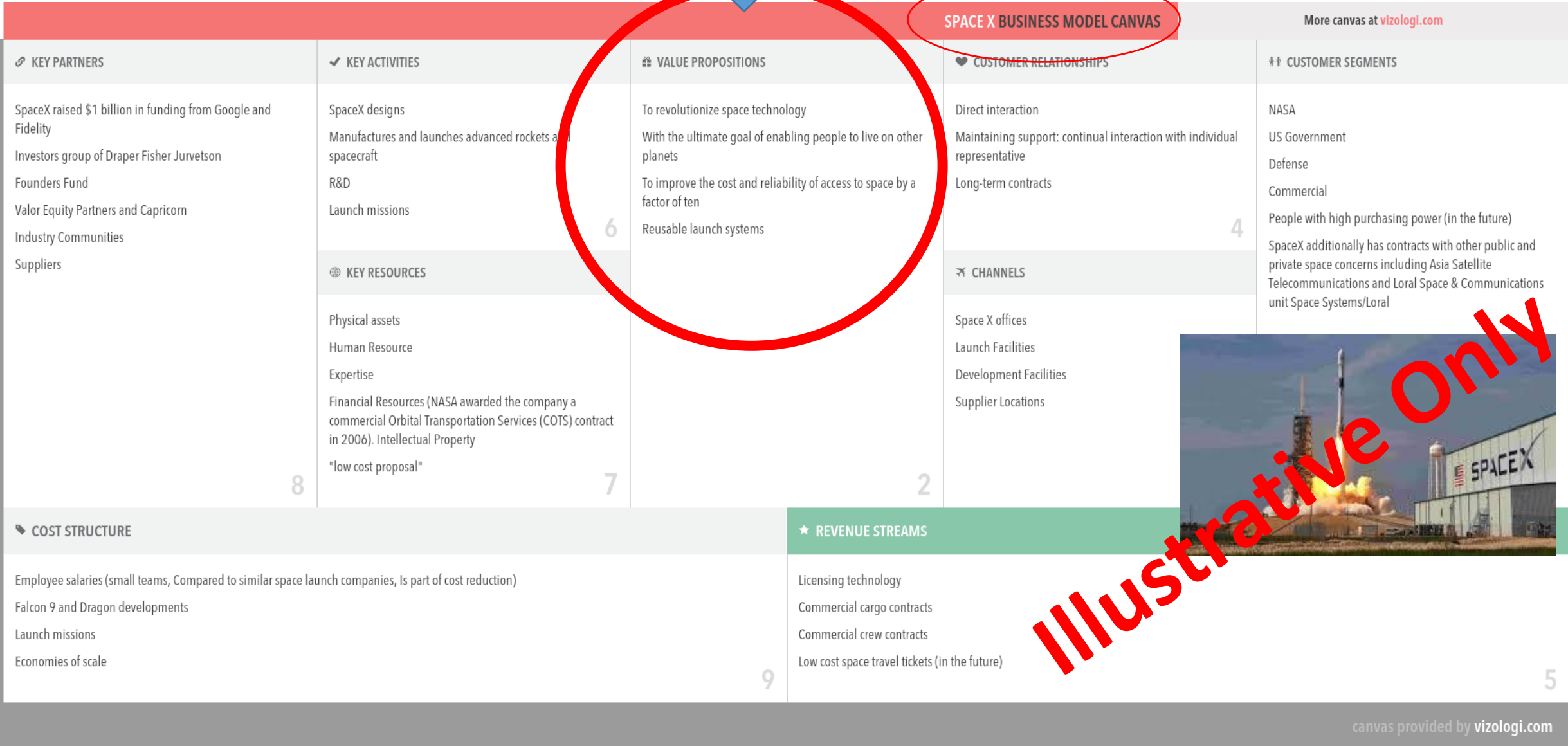
### Revenue Streams



- Monthly subscription plans
  - Basic
  - Standard
  - Premium



Business Strategy Hub



Illustrative Only

ABC

## TECHNOLOGY BUSINESS MODEL CANVAS

## Key Partners

Small Business Administration (SBA)

Small Business Development Center at George Mason U.

Procurement Technical Assistance Center (PTAC)

Akiak Native Community

Federal IT Contractor Partners (Potential Subs and Primes)

Agency Small Business Advocate Offices

ACT-IAC (American Council for Technology – Industry Advisory

## Key Activities

Provide IT Consulting Services

Provide IT Management Support Services

Provide IT Delivery Teams

Manage IT operations

Win Federal Contracts

Federal IT marketing

## Key Resources

IT Subject Matter Experts, Developers, Coaches

IT Portfolio, Product, Program, Project, Acquisition Managers

IT operations staff

Acquisition and Business Development

## Value Propositions

As an 8(a) Tribal Owned IT Business and trusted federal partner, we offer a low risk, fast-path to agile development, lean operations, and digital transformation

Our Mission is simple: use revenue from federal contracts to build and sustain a brighter economic future for the indigenous people of the Akiak Native Community tribe in remote Alaska.

## Customer Relationships

Designated SBA Contracting Office

Noncompetitive SBA 8(a) IT contracts with Federal Government agencies

SBA 8(a) IT Prime and Sub Contractor Partners

## Channels

Business Development Staff

Website - Awareness

Widely available Federal contracts

Partner efforts – as a subcontractor

SBA 8(a) program

## Customer Segments

Federal Civilian Agencies

Defense Agencies

Initial target of agile pioneers and early adopters with greater than 15% 8a Contracting

- DOT (Trans)
- GSA
- DOC
- DOA
- DHS
- DOT (Treas)

## Cost Structure

Low fixed costs for core business

Variable costs fluctuate to meet contractual needs

## Revenue Streams

Direct contracts with Federal Civilian and Defense Agencies

Subcontracts with partner contractors

Illustrative Only



VPD *frames* your “*hypothesis*”...and *clarifies* the *Problem* ➡ *Solution* ➡ *Fit!*

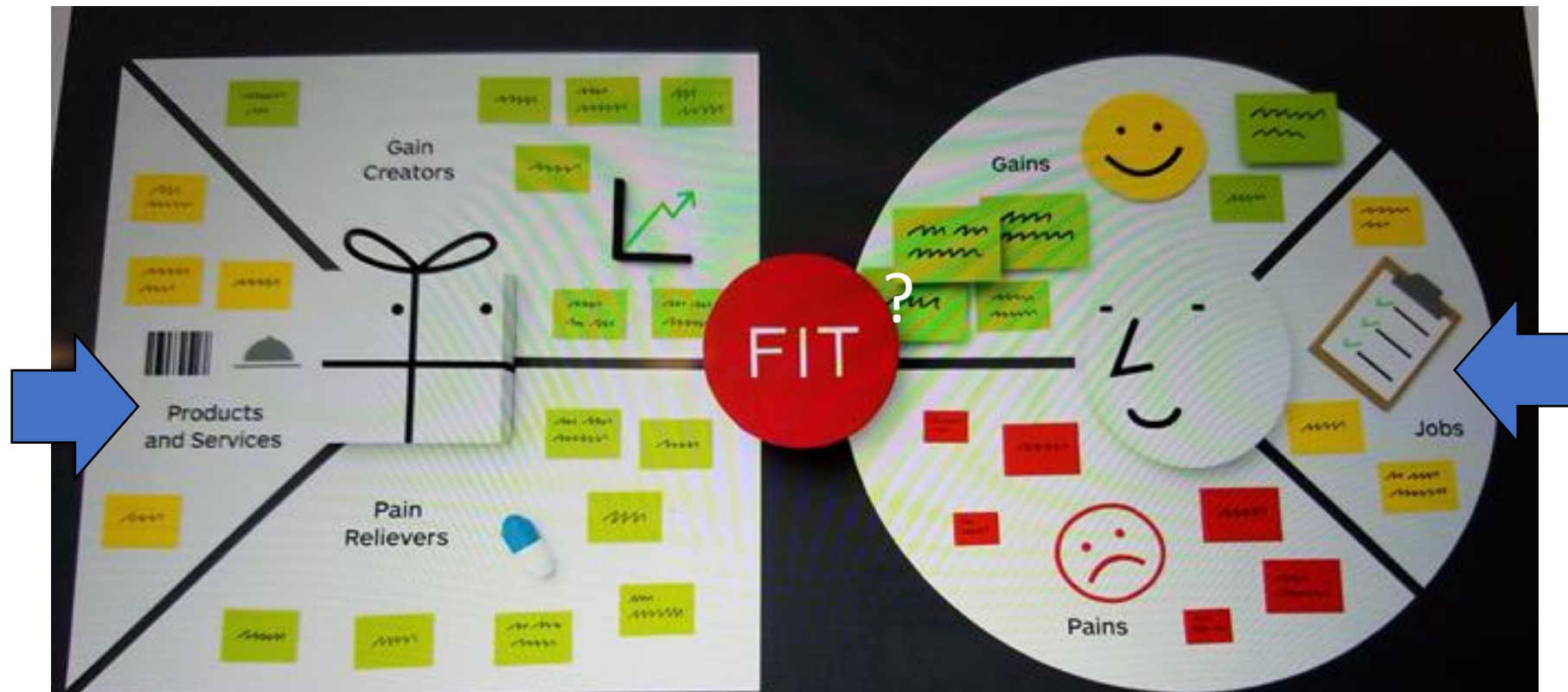




VPD **frames** your **“hypothesis”**...and **clarifies** the **Problem** ➡ **Solution** ➡ **Fit!**

Important Questions to *survive* “1<sup>st</sup> contact with the marketplace”:

*“What (specific) Problem are you solving, with what unique solution, with what Offering and for Whom (specific Customer Segment)?” ...and have you created any value?*



VPD **frames** your **“hypothesis”**...and **clarifies** the **Problem** ➡ **Solution** ➡ **Fit!**

Important Questions to ensure “1<sup>st</sup> contact with the marketplace”:

*“What (specific) Problem are you solving, with what unique solution, with what Offering and for Whom (specific Customer Segment)?” ...and have you created any value?*

What are  
your  
specific  
products or  
services  
...and...  
what value  
do those  
create that  
someone  
would be  
willing to  
pay for?



What are the  
“problem”  
customer have?

What “pain  
points” do you  
remove for the  
customer?

How are you  
differentiated vs  
competition?

What are your  
tangible benefits?

*“A sound Value Proposition Design is more likely to lead to the creation of a successful product or service business.”*

*“The “build it and they will come” product or service development is a myth. **You need to TEST your value proposition hypothesis...  
...before you spend a great deal of resources” !***

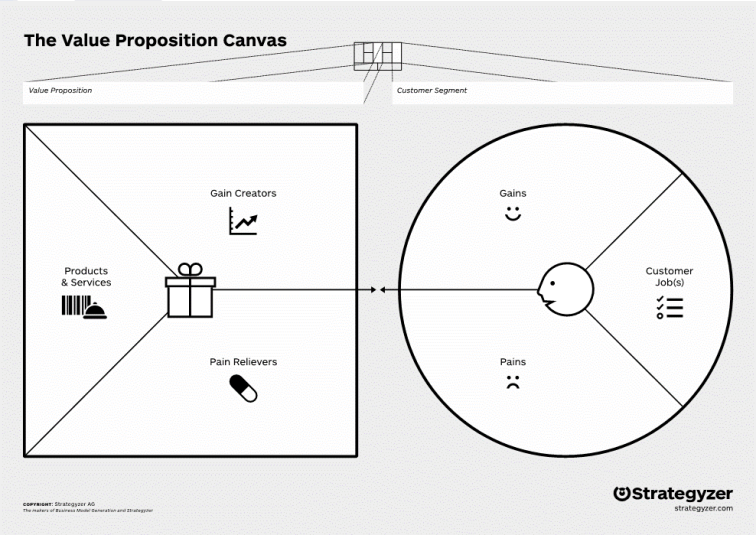
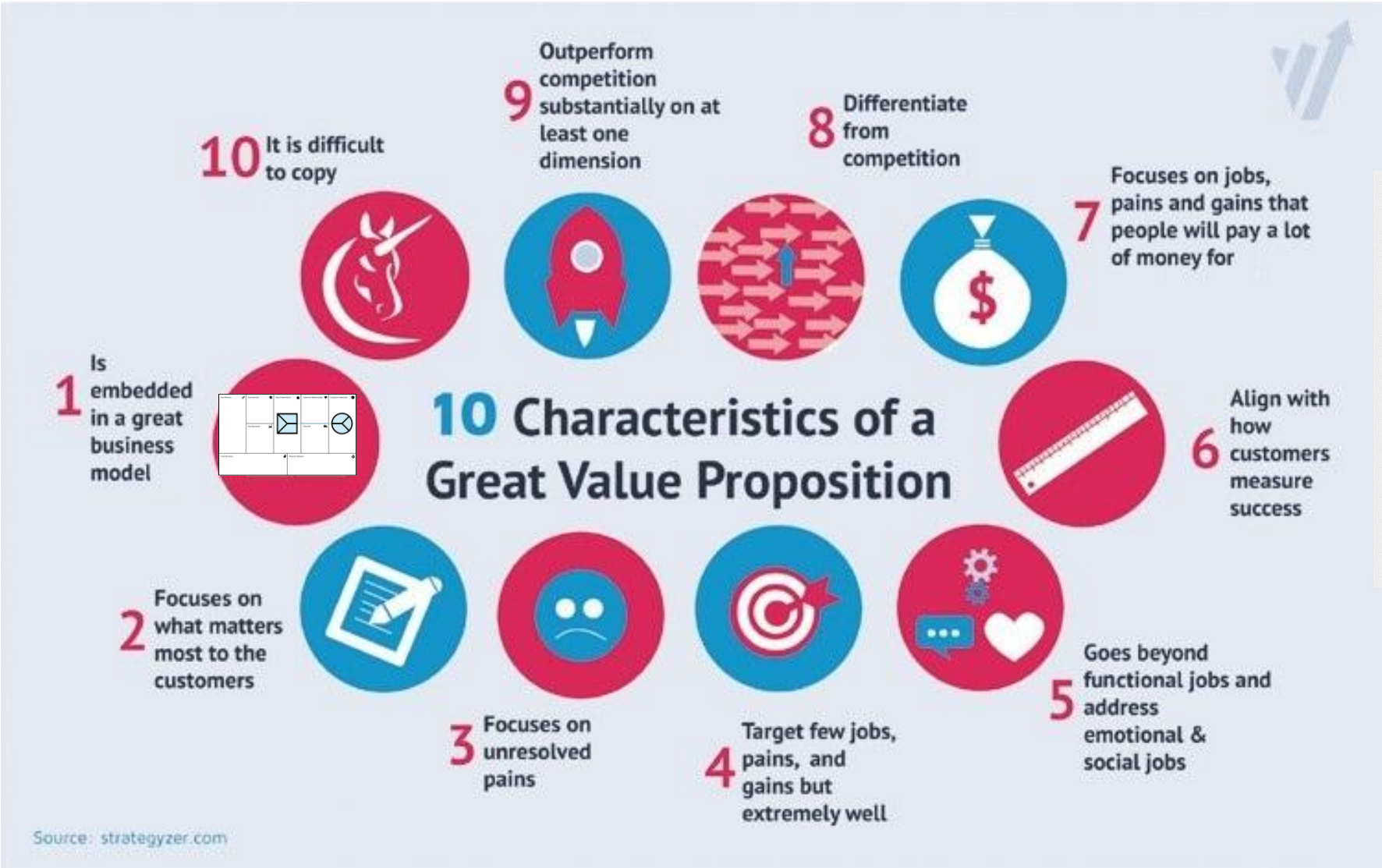


Interesting technology, new product or professional service introductions, the empty promise of innovation, **not backed up by real value creation and a viable business model**, may make an initial marketing splash - - **but is unlikely to serve as the foundation of a strong, sustainable product or service offering.**

***“Creating real value attracts buyers.”***



# We can't overstate importance of *VP Design*





❑ Learning Objective #2: Upon completion of this module, you will...

*“...understand how key elements of the VPD can offer fresh perspectives to help inform actions you can take that may lead to continuous improvement and further growth.”*



At the most fundamental level, it is periodically prudent to “revisit” your VPD and gauge its capability to:

- 1) Create Value...that attracts buyers**
- 2) Communicate Value...to raise awareness**
- 3) Deliver Value...using the right channels**
- 4) Capture Value...with the right price**

More specifically, VPD can help inform, assess and (re)confirm, that in your business:

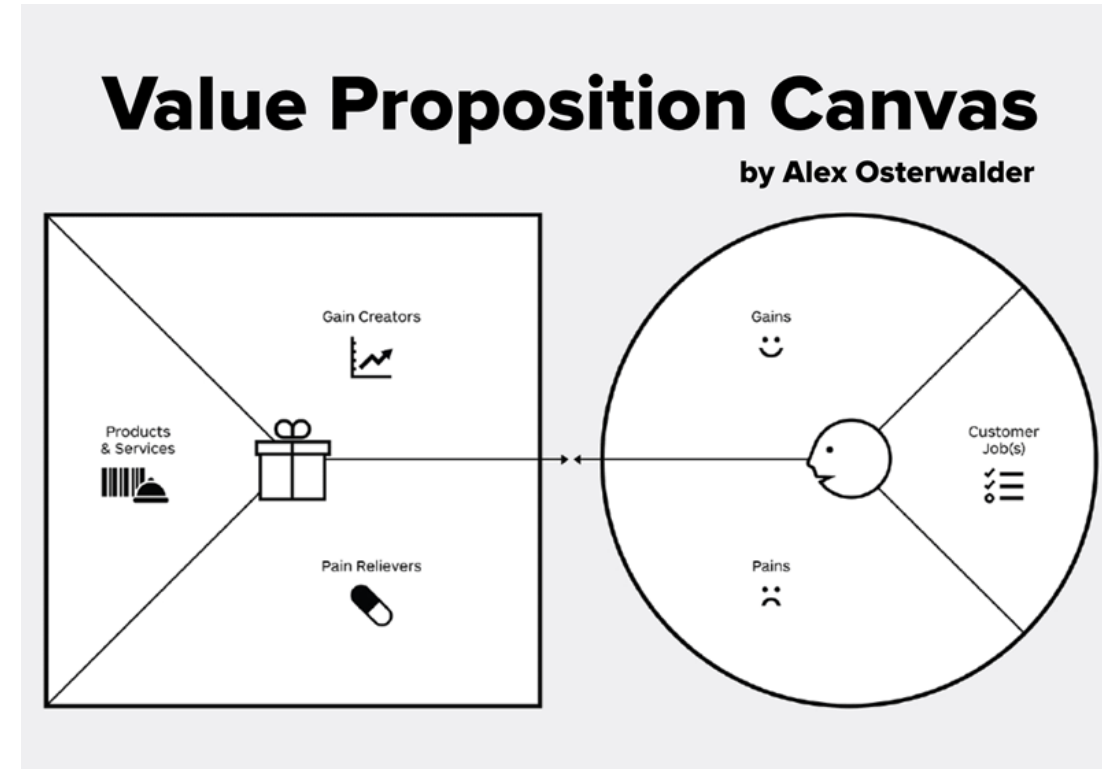
- nothing has significantly changed regarding the ***demographics or needs of your intended and targeted customer sector, segment and sub-segment(s)***
- changes in ***existing industry, market dynamics or new competitive forces*** are not impacting your customer acquisition, retention or market share

To understand how our VPD can offer us insights and perspectives, we will:

1) unpack its elements...

...while at the same time...

2) ...look at those VPD elements (to identify perspectives and methods) through the lens of an actual client use-case / case study





Think **“CIRCLE”** or  
intended *targeted*  
*Customer*  
*Segment/Sub*  
*Segment*

Think **“SQUARE”** or  
your *product / service*  
*offer* aligned with the  
Intended targeted  
customer needs

## Value Proposition Design



# Introducing our VPD client case study:



Weathervane  
Coffee

Coffee with Soul

**NOTE:**

MSBDC has written Permission from Weathervane Coffee's CEO  
and Founder to share his business briefing elements

# Value Proposition Statement



# Value Proposition

WeatherVane coffee is a *specialty coffee roaster for coffee lovers.*

We offer *customers who care about their coffee* an inviting, convenient location, that sources, roast, and brews specialty coffee in a way which brings the soul back into coffee.

Specifically, we use only premium coffees that have been *carefully curated at the source*, and then *artisanally roasted*, quality controlled, and ultimately brewed by us to perfection.

The coffee is *fresh, exquisite, incredibly enjoyable, subtly complex*--a uniquely memorable experience.





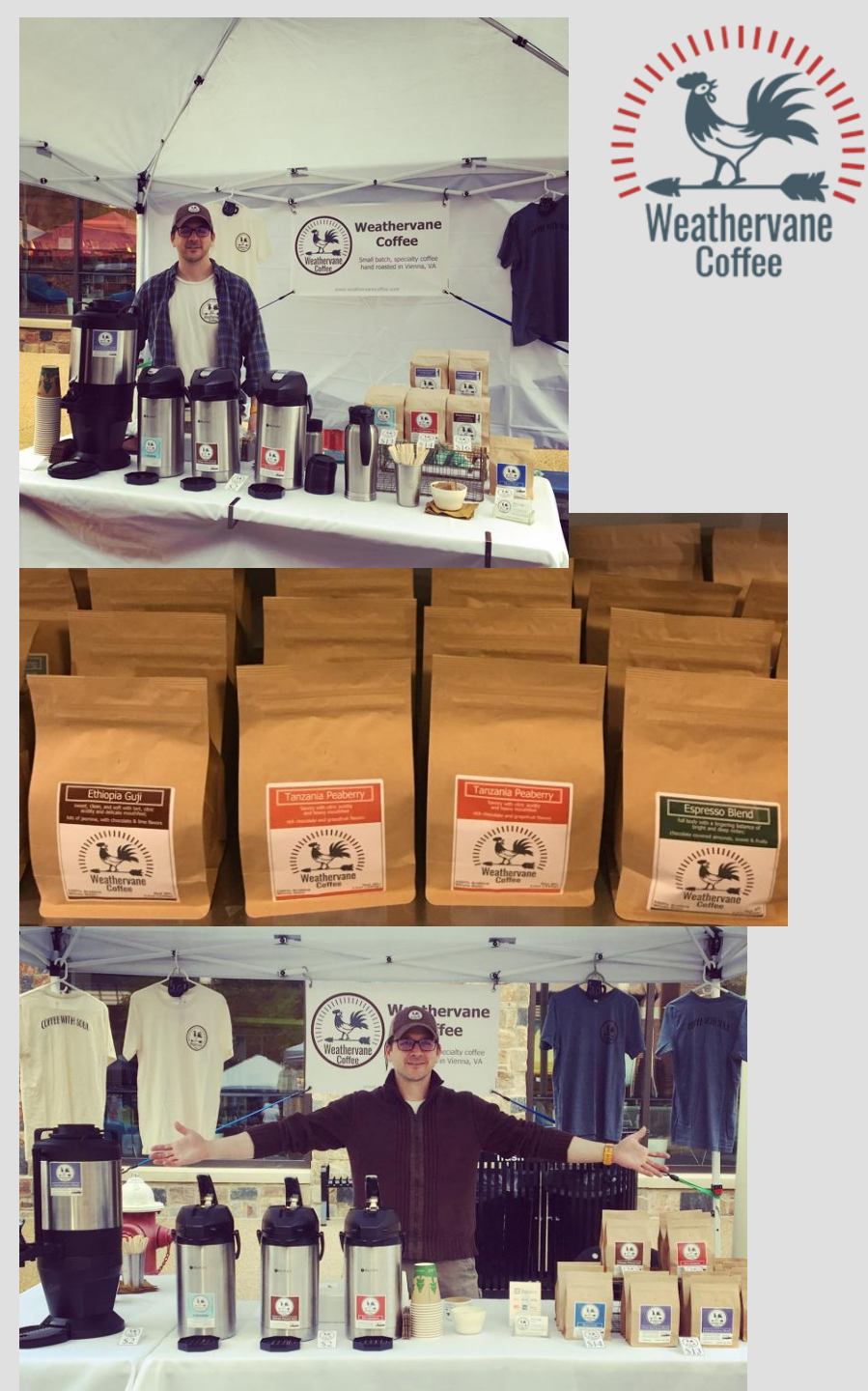
# Value Proposition

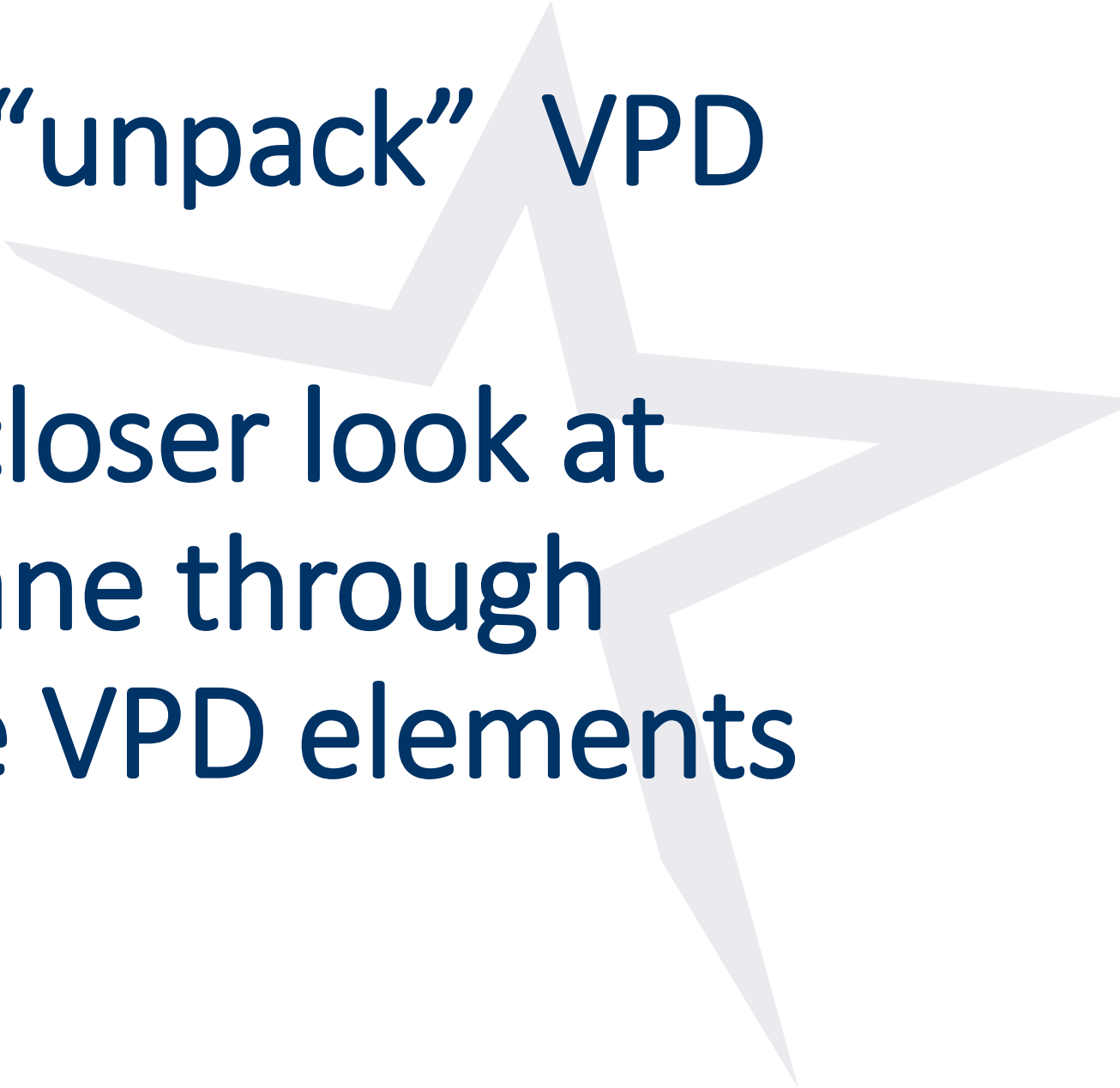
WeatherVane coffee is a *specialty coffee roaster for coffee lovers.*

We offer *customers who care about their coffee* an inviting, convenient location, that sources, roast, and brews specialty coffee in a way which brings the soul back into coffee.

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The coffee is *fresh, exquisite, incredibly enjoyable, subtly complex*--a uniquely *memorable experience.*





Next, we will “unpack” VPD  
and take a closer look at  
Weathervane through  
the lens of the VPD elements

Think **“CIRCLE”** or  
intended *targeted*  
*Customer*  
*Segment/Sub*  
*Segment*

Think **“SQUARE”** or  
your *product / service*  
*offer* aligned with the  
Intended targeted  
customer needs

## Value Proposition Design

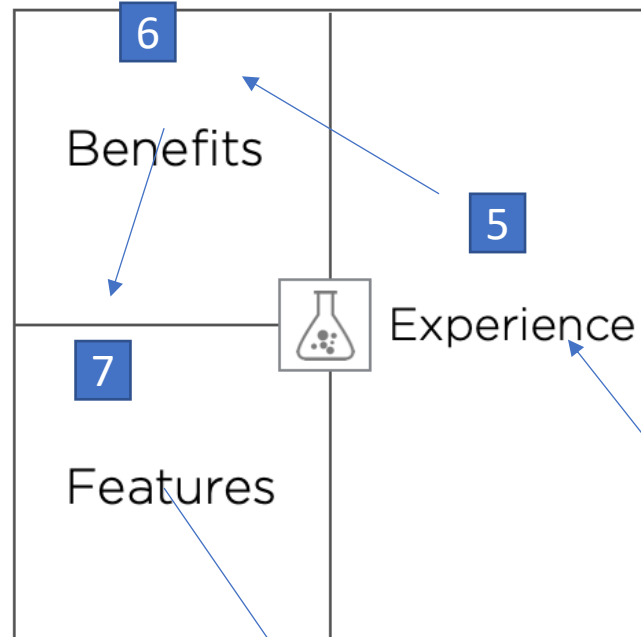


*REMINDER:*

VPD has us start on the  
Customer Side  
...steps 1-4

# Value Proposition Canvas

## Your Product/ Service



Company:  
Product:  
Ideal customer:

8

## Customer



Substitutes  
...aka COMPETITION!

4

Value Proposition  
Design starts with a  
*focus on :*  
*customer jobs to be  
done, needs, and  
available substitutes.*

Based on the work of Steve Blank, Clayton Christensen, Seth Godin, Yves Pigneur and Alex Osterwalder. Released under creative commons license to encourage adaption and iteration. No rights asserted.



Fears

WHAT ARE THE RISKS OF SWITCHING TO YOUR PRODUCT?

1.	
2.	
3.	

Needs

WHAT ARE THE RATIONAL DRIVERS OF PURCHASE?

1.	
2.	
3.	

WHAT ARE THE HIDDEN NEEDS?

1.	
2.	
3.	

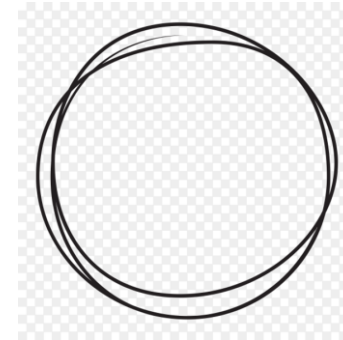
Wants

WHAT ARE THE EMOTIONAL DRIVERS OF PURCHASE?

1.	
2.	
3.	

Illustrative Only:  
Our Helpful Worksheet

Starting on the intended targeted *customer side* of the VPD, (the “circle”)...



...Q: what did we learn from Weatherovane's VPD?  
...and...

...Q: from what sources did he get his statistics,  
his insights, sufficient to build or assess  
his VPD hypothesis?

Paul, the Founder of Weathervane became a “Subject Matter Expert”

---

Business leaders should aspire to become and remain Subject Matter Experts (SME) in their ecosystem.

There is “homework” required to create, communicate and deliver and extract value through your *Value Proposition Design* (VPD)



Ensures you can continue to monetize the value you worked so hard to create!

---

Want to be a Subject *M*atter *E*xpert in all things related to your business ecosystem?



## NOTE:

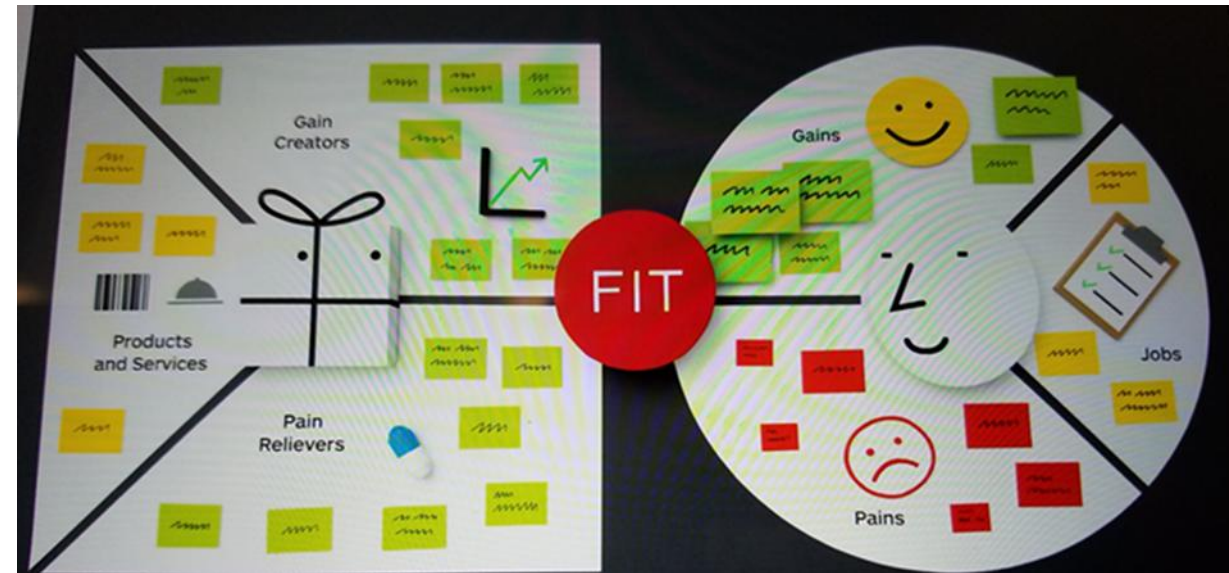
Shown below is **only one of the many sources we have included in the backup** pages of this briefing which will help you with benchmark, customer and competitive data and analysis.

- <https://www.sba.gov/business-guide/plan-your-business/market-research-competitive-analysis#section-header-4>

Focus	Goal	Reference
General business statistics	Find statistics on industries, business conditions.	<a href="#">NAICS, USA.gov Statistics, U.S. Census Business Builder</a>
Consumer statistics	Gain info on potential customers, consumer markets.	<a href="#">Consumer Credit Data, Consumer Product Safety</a>
Demographics	Segment the population for targeting customers.	<a href="#">U.S. Census Bureau, Bureau of Labor Statistics</a>
Economic indicators	Know unemployment rates, loans granted and more.	<a href="#">Consumer Price Index, Bureau of Economic Analysis</a>
Employment statistics	Dig deeper into employment trends for your market.	<a href="#">Employment and Unemployment Statistics</a>
Income statistics	Pay your employees fair rates based on earnings data.	<a href="#">Earnings by Occupation and Education, Income Statistics</a>



# VPD Customer Segment Dynamics





# Specialty Coffee in the US

- Specialty coffee house sector generated \$26.3B (2018);
  - expected to grow to \$85B (2025); 18% YoY growth rate
- Strong growth rate & profitability:
  - Drive towards higher quality good
  - Drive to individualize and curated shopping experience
  - Drive to more community based businesses
- For context, a typical medium volume Starbucks:
  - 75-150 transactions per hour
  - \$3,000-\$5,000 in daily deposits



## Sources:

- Statista
- Alegra World Coffee Portal
- Daily Coffee News
- Marketing Week
- Specialty Coffee Association
- Personal conversations with employees & managers



# Societal Trends Towards Specialty Coffee

## Away from commodity coffee and towards specialty coffee

- Drive to higher quality
- Drive to individualized preferences and personalized shopping
- Specialty coffee accounts for the majority of the industry growth

## Away from chains and towards community based businesses

- 43% surveyed state that they tend to go the closest coffee shop
- 32% state that they would prefer to not go to a chain coffee shop

### Sources:

-Marketing Week  
-Specialty Coffee Association

-Harvard Business Review  
-McKinsey & Co

# VPD Customer Segment The Problem





# Location, Location, Location

- ***Coffee Dessert***

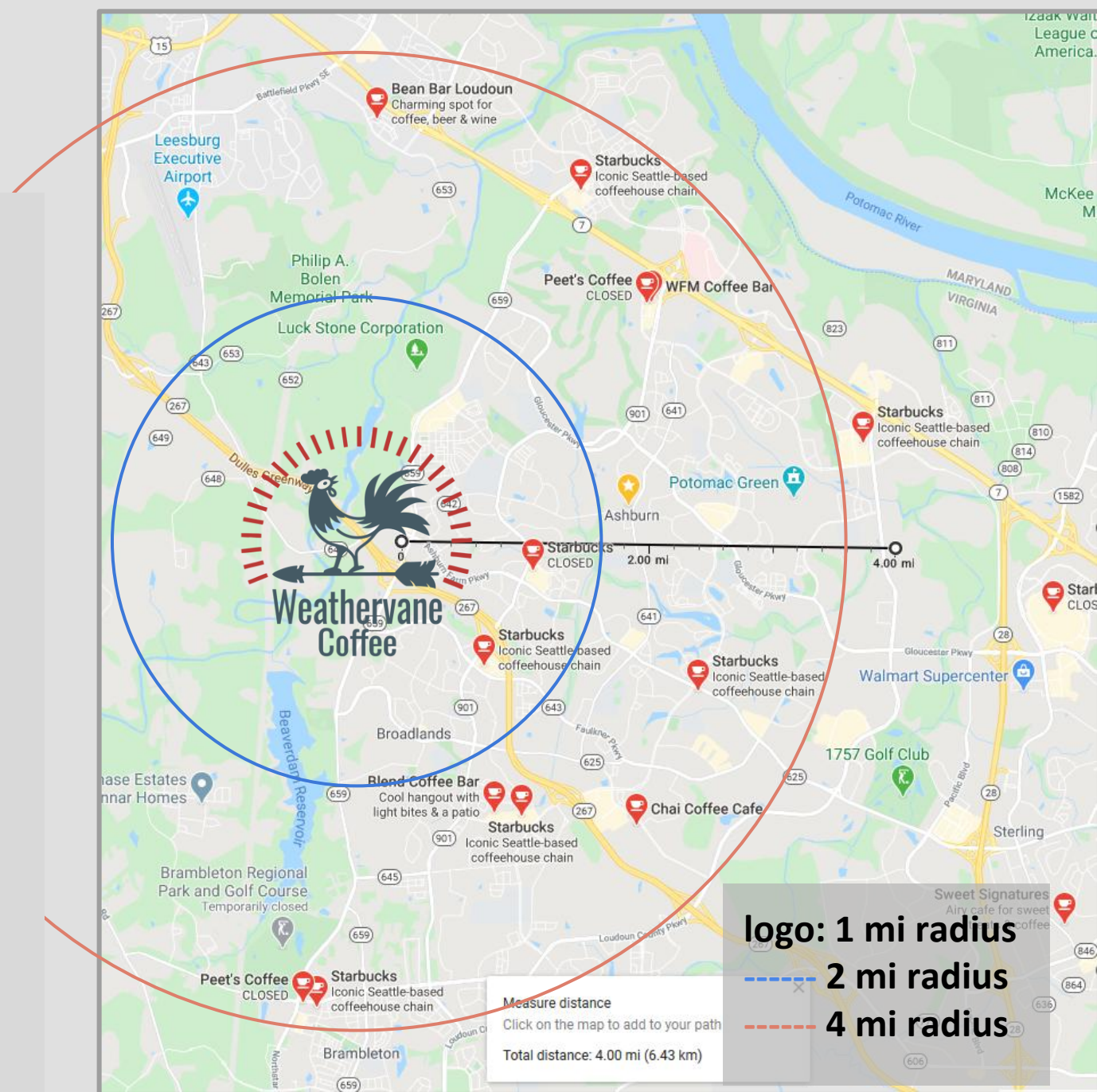
- 1 mi radius: ZERO coffee shops
- 3 mi radius: Five coffee shops (3 Starbucks\*)

- **High Demand**

- 1 mi radius: 13K residents, Avg. Income \$190K
- 3 mi radius: 81K residents, Avg. Income \$176K

- **High Growth**

- Immediate Neighborhood development
- Extensive new residential & business construction



# VPD Customer Segment Persona, Avatar, Fictitious “Perfect Customer”



# What did Weathervane's coffee drinkers...

want,  
need,  
fear ?



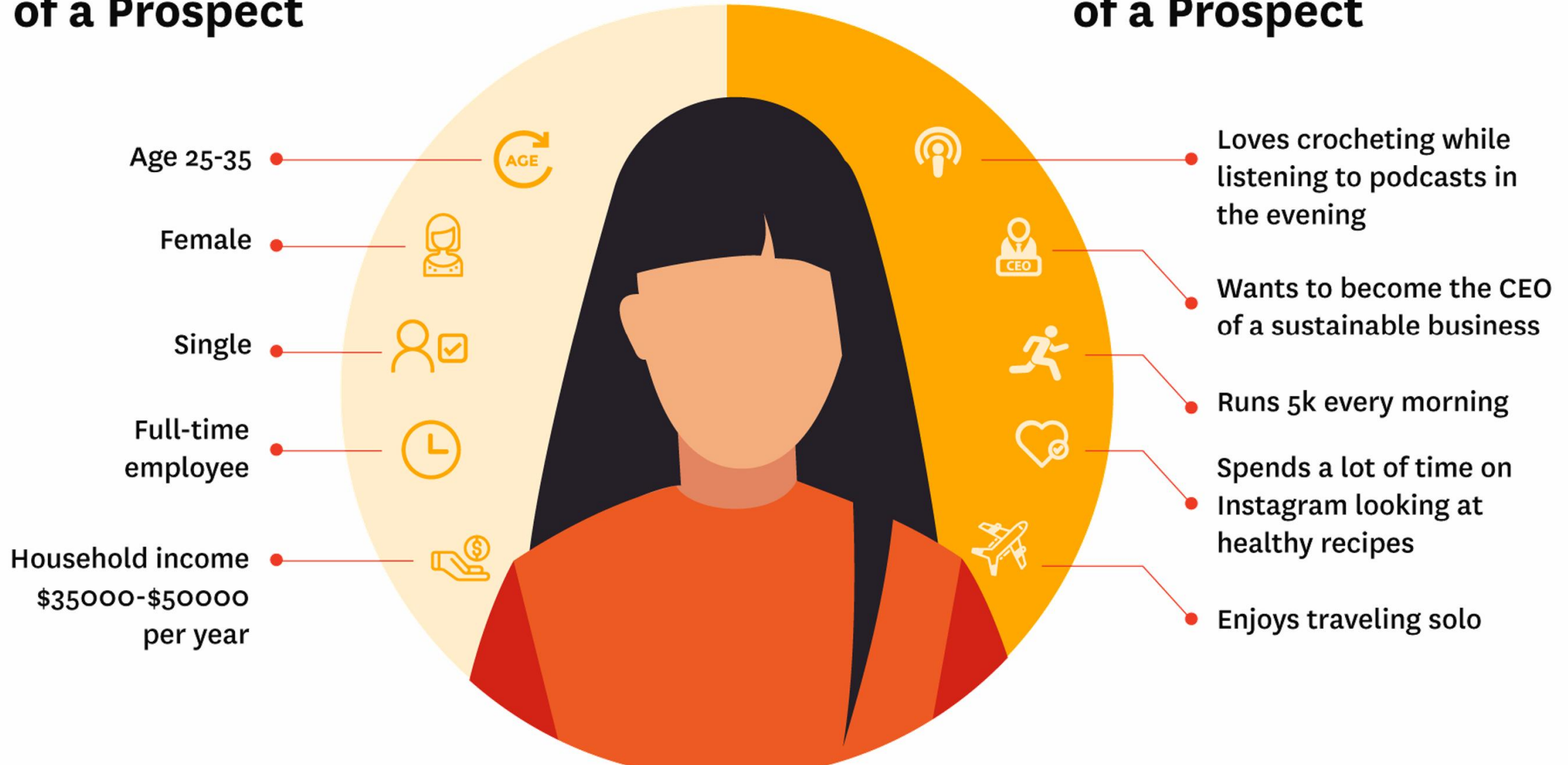
???



???



## Demographic Profile of a Prospect



## Psychographic Profile of a Prospect



## Good Questions

- ✓ **What** did your customers do?
- ✓ **When** did they do it for the last time?
- ✓ **Why** did they do it?  
What problems were/are to solve?
- ✓ **What** else did they try?
- ✓ **Why** didn't they try potential other options?
- ✓ What **frustrations** do they feel possibly?

## Wrong Questions

- ✗ **Do you think this idea is good?** – That's the worst question you can ask. The reason for this can be found in the main problem discussed at the beginning.
- ✗ **How much would you pay for XY?** – The known problem applies to this question too. If you want to find out whether your customer would buy your product, you can offer them Early Access with a discount or some other incentive, if they pay a little amount of the price in advance. The goal of this "experiment" isn't selling but getting the customer into a buying mindset that feels as real as possible to them.

During the Customer and Marketplace Discovery Phase, ask good questions

### Possible questions:

- Explain your workflow to me.
- Did you have problems with XY in the last time?
- Did you try to approach those problems?
- If yes: What solutions did you try?
  - Did they work? What did you like about them?
  - If they didn't work out: Why not?
  - If no: Why haven't you looked any further for solutions?

### Mistakes to avoid

- **Empty compliments** – Those are a warning signal during the conversation. Direct the conversation away from you and back to the customer.
- **Pitches or hints on your product** – Those must be avoided, because the conversation isn't about you or your product.

ILLUSTRATIVE ONLY



What else did Weathervane Learn about his potential intended and targeted coffee drinkers?



## Demographics

- Fact based
- “Ground-Truthed” in reality
- Supports the problem-solution-fit

- 80+ tenants at the Ashburn Collective Co-Working
- 230 Luxury apartment Units
- 650 Luxury townhouses
- Multiple businesses & offices in the immediate area (80)
- Greater Region (5 mi radius)

DEMOGRAPHICS	1 MILE	3 MILES	5 MILES
Total Population	9,686	72,158	170,457
2010 Population	7,582	58,955	124,808
2024 Population	10,972	81,385	194,341
Employees	2,340	13,958	49,755
Total Businesses	292	1,421	4,602
Average Household Income	\$189,016	\$176,128	\$165,316
Median Household Income	\$166,300	\$150,265	\$139,923
Total Consumer Spending	\$129.72M	\$969.4M	\$2.2B
Median Age	35.3	35.4	36
Households	2,921	23,520	57,370
Percent College Degree or Above	34%	35%	34%
Average Housing Unit Value	\$601,751	\$591,692	\$580,635

COLLECTION STREET	CROSS STREET	TRAFFIC VOL	YEAR
Belmont Ridge Rd	Ashburn Farm Pkwy, NE	18,245	2018
Ashburn Farm Pkwy	<u>Sycolin Rd, NW</u>	8,778	2018
Ashburn Farm Pkwy	Farmingdale Dr, SE	8,300	2016
Ashburn Farm Pkwy	<u>Gardengate Cir, SE</u>	11,154	2018

# Weathervane's "Fictitious" Customer "Avatar"



**Name:** John

**Age:** 41

**Occupation:** Government Contractor

**Residence:** High-rise apartment in Reston

**Income:** \$88k - \$150K/yr

**Interests:** Dining, traveling, and fitness

John is a busy professional who values convenience, great experiences and quality. He enjoys starting his day with a cup of high-quality coffee from a local shop within 2 miles of his apartment. He works long hours. He's willing to pay a premium daily for the convenience and quality of curated coffee in the morning



# *Empathy Map*

Name:

What does he think and feel?

What does he hear?

What does he see?



What does he say and do?

Pain

Gain

# VPD Customer Segment

## Substitutes, Competiton



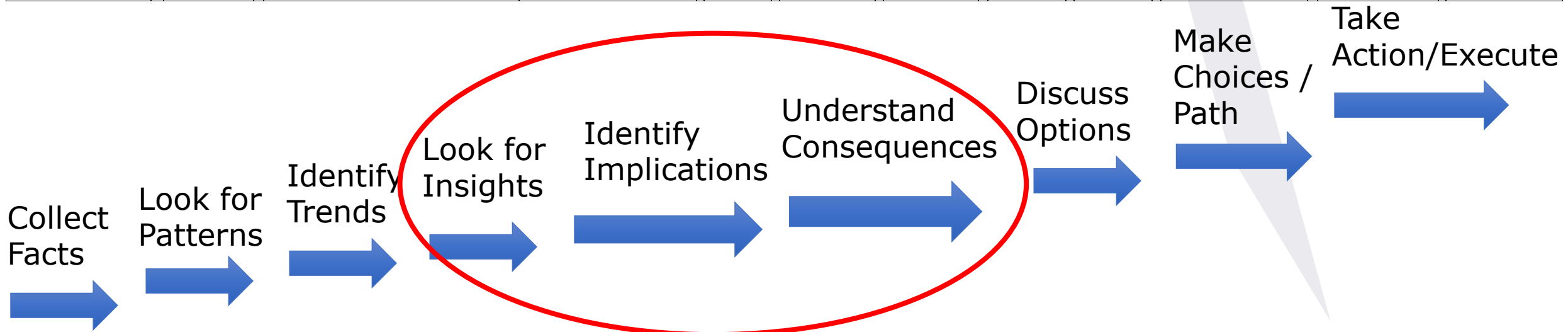
# Competitive Comparative Matrix Insights Exercise Template

NOTE: Create in Excel; minimum of 5 competitors; modify columns as applicable



Competitor Businesses	Website URL Link	Industry/ Sector / Segment Competitor is in	Location Geographic Reach	Phone #	Est. Sales \$USD	Unique Branding	Feature #1	Benefit #1	Point(s) of Differentiation	Sell Through Channels?	Relevant Comments
Competitor # 1											
Competitor # 2											
Competitor # 3											
Competitor # 4											
Competitor # 5											

**It is a Side by Side collection of facts, patterns, themes, etc. that lead to insights, implications and then actions**



# Competition

## Direct:

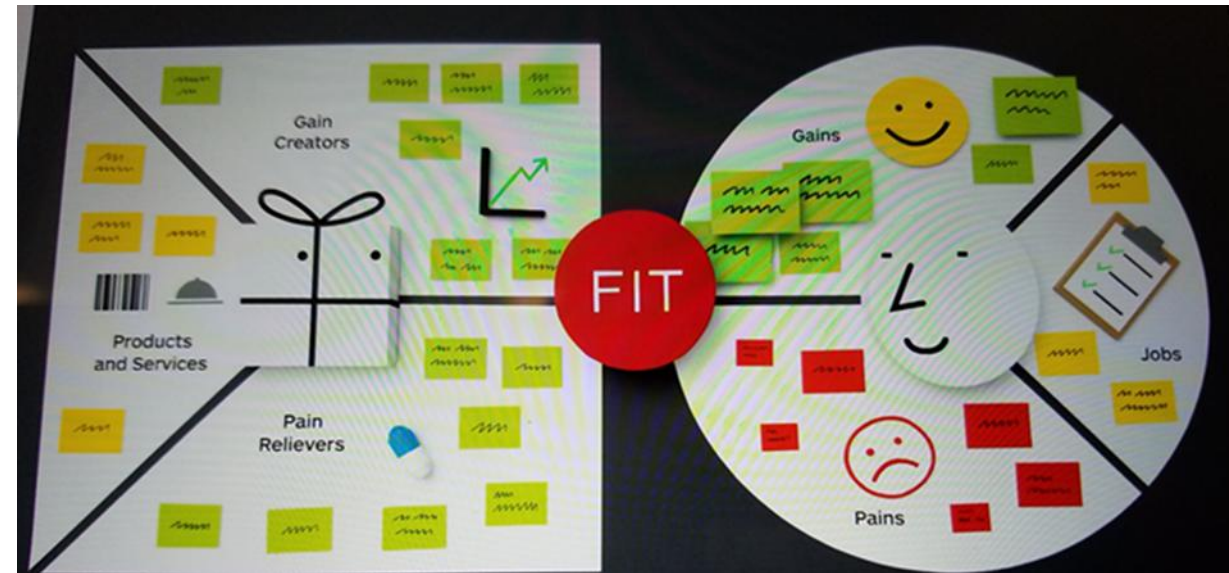
- [Weird Bros. Coffee; Herndon, VA \(12 mi\)](#)
- [Caffe Amouri, Vienna; VA \(20 mi\)](#)

## Indirect:

- [Starbucks \(x2\); Ashburn, VA \(1.5 mi\)\\*](#)
  - [Brew LoCo; Ashburn, VA \(3.7 mi\)](#)
  - [Blend Coffee Bar; Ashburn, VA \(4 mi\)](#)
  - [Chai Coffee & Cafe, Ashburn, VA \(4.3 mi\)](#)
-



# VPD Customer Segment Ground Truths



# Baseline Revenue Model

ILLUSTRATIVE ONLY

Category, AVERAGES	Coffee Shop	Beer & Wine	Roasted Coffee	
Transactions per Hour	16	8	--	Totals
Customers per Day	200	32	18	
Food Conversion	25%	25%	--	
Daily Revenue	\$849	\$514	\$250	\$1,613
Monthly Revenue	\$25,465	\$15,422	\$7,507	\$48,394
Yearly Revenue	\$305,579	\$185,064	\$90,082	\$580,725

# 3-Year Revenue Estimates

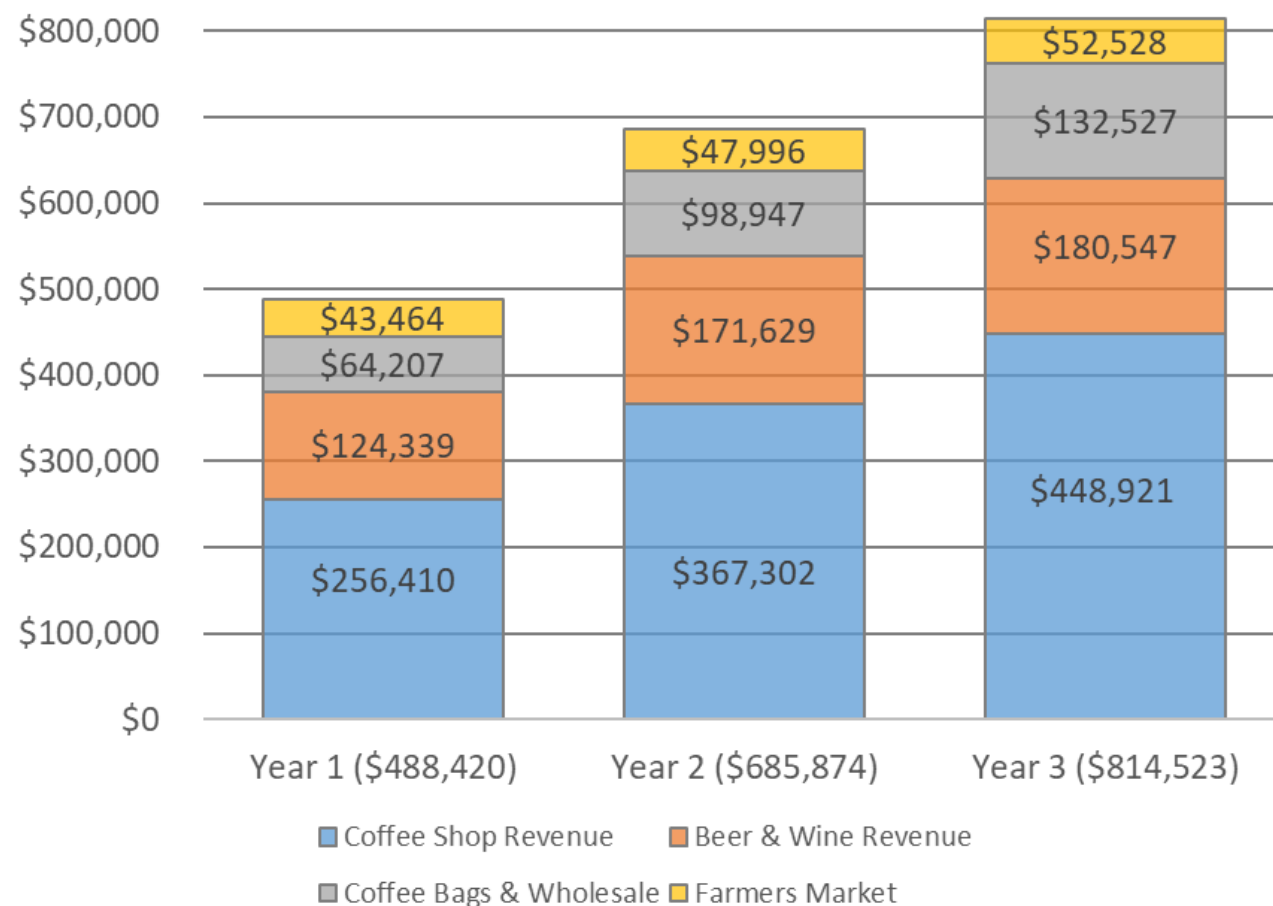
## Key Notes & Assumptions:

- Year 1 will start at 50% capacity; operating in the red for 5 months
- 48% growth overall in YR2
- 24% growth overall in YR3
- Increase our Farmers Market presence

## Baseline Revenue Model

Category, AVERAGES	Coffee Shop	Beer & Wine	Roasted Coffee	
Transactions per Hour	16	8	--	<b>Totals</b>
Customers per Day	200	32	18	
Food Conversion	25%	25%	--	
Daily Revenue	\$849	\$514	\$250	<b>\$1,613</b>
Monthly Revenue	\$25,465	\$15,422	\$7,507	<b>\$48,394</b>
Yearly Revenue	\$305,579	\$185,064	\$90,082	<b>\$580,725</b>

## 3-YEAR REVENUE ESTIMATES, BY INCOME STREAM



Moving now to the products and services (offering) side of the VPD,  
the “square”:



what did we learn from Weathervane about how they aligned and then  
differentiated their offer with what they learned from customers ?

...and...

...how his value proposition key messages flow naturally into  
his message map and his marketing strategy and execution.

VPD continues by examining the level of *alignment between your (hopefully) differentiated market offering and your segmented, targeted client/customers' needs*

VPD has the Offering Side.

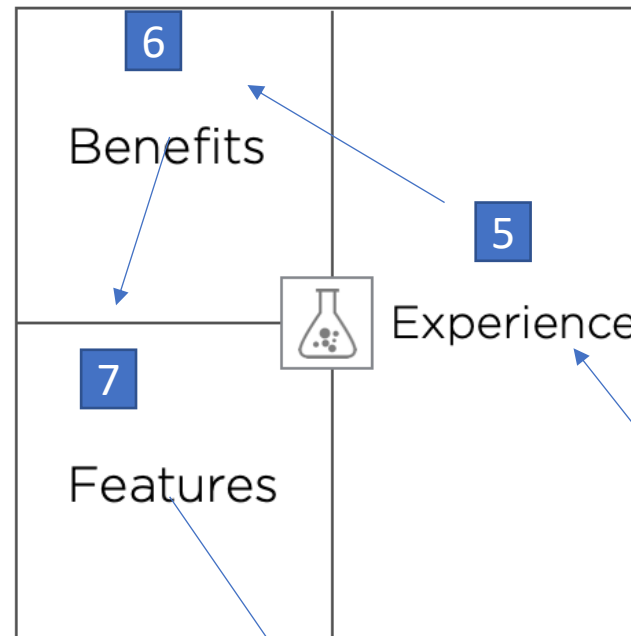
...steps 5-8

Synthesize your targeted customer discovery align it with your products/ service offering

**REMINDER:**

## Value Proposition Canvas

### Your Product/ Service



Company:  
Product:  
Ideal customer:

8

### Customer



Substitutes  
...aka COMPETITION!

4

Your Product /  
Services Offer/ Cap  
Statement / Your  
Website  
  
Benefits  
Features  
Points of  
Differentiation





## Experience

WHAT DOES IT FEEL LIKE TO USE YOUR PRODUCT?

1.	
2.	
3.	

## Benefits

WHAT DOES YOUR PRODUCT DO?

1.	
2.	
3.	

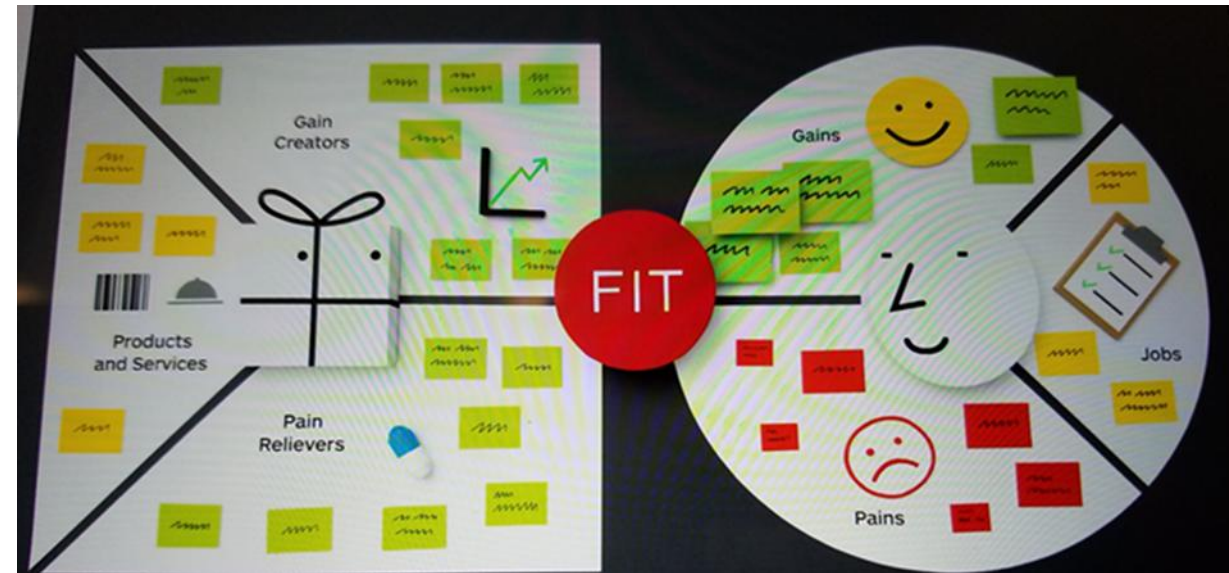
## Features

HOW DOES YOUR PRODUCT WORK?

1.	
2.	
3.	

Illustrative Only:  
Our Helpful Worksheet

# VPD Product / Service Offering





?

# Do You Really KNOW YOUR

Points of Differentiation, your  
“secret sauce” your unique  
value in the Marketplace?



**A company can outperform rivals only if it can establish a difference that it can preserve.**

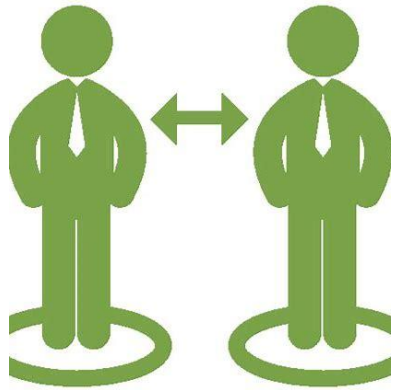
Michael E. Porter



Source: [Harvard Business Review: What Is Strategy? \(hbr.org\)](https://hbr.org/2001/01/what-is-strategy/)

***The Value Proposition Design asks:***

***“How (specifically and measurably) is your product or service as good as the next best available (or incumbent) alternative?”***



***Typical Points of Parity***

- ☐ Strict Compliance with all Requirements
- ☐ Cost Competitiveness; Priced Competitively
- ☐ Technical Capability
- ☐ Financially Sound
- ☐ Prior Experience with Customer is favorable
- ☐ Seen as “Easy to do business with”
- ☐ Favorable reviews



***The Value Proposition Design also asks:***  
***“How (specifically and measurably) is your product or service capabilities / offering, better than the next best available (or incumbent) alternative?”***

### **Potential Points of Differentiation**

- ☐ Company/Brand is seen as Strategic, Innovative
  - ☐ Leader, among the best
- ☐ Product / Service is:
  - ☐ low risk, high convenience, environmentally friendly, simple to use
- ☐ Strategic Mission aligns well with client
  - ☐ Shared values, attributes, outlooks
- ☐ Management Team is credible, believable
- ☐ Organization has capacity, competency
- ☐ Offering Benefits are tangible, quantifiable
- ☐ Brand is Professional with market presence





### **Captive & built in market base**

- Co-Located in the coworking space
- Attached to The Heights luxury apartments
- Already have a strong local following

### **More than just coffee:**

- Food: breakfast, lunch, small plates
- Beer and wine
- Outdoor seating

### **In-House coffee roasting:**

- Lower COGS
- Curated, diverse, & seasonal coffee line-up
- Unique customer experience

### **Wholesale coffee markets**

- Coffee supplier for other shops
- Local grocery stores

# Strategic Competitive Advantage

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✓ Learning Objective #3: Upon completion of this module, you will...

*“... ..see the connection between the VPD, message mapping and your marketing strategy & tactics*



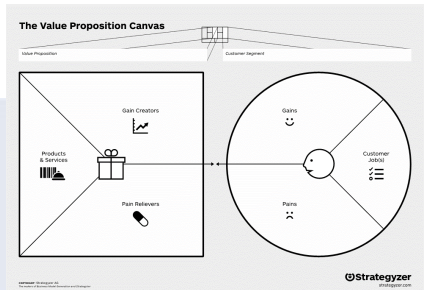


Let look at how value proposition key messages  
flow logically into  
our case study clients' message mapping,  
his marketing strategy and ultimately his  
marketing content creation and execution.

# Value Proposition Design Importance Re-visited

## 10 Characteristics of a Great Value Proposition

- 1 Is embedded in a great business model
- 2 Focuses on what matters most to the customers
- 3 Focuses on unresolved pains
- 4 Target few jobs, pains, and gains but extremely well
- 5 Goes beyond functional jobs and address emotional & social jobs
- 6 Align with how customers measure success
- 7 Focuses on jobs, pains and gains that people will pay a lot of money for
- 8 Differentiate from competition
- 9 Outperform competition substantially on at least one dimension
- 10 It is difficult to copy



Informs strategy and tactics

- Competitive Incumbent strengths & gaps
- What the customer wants and needs
- A very strong, aligned Capabilities Statement
- Your Business Briefing / pitch; your services
- **Message Mapping**
- Your Marketing Strategy Brand Positioning
- Web Site Elements
- Organic Search Tags ...and more



## Value Proposition Design Importance Re-visited



Inform strategy and tactics

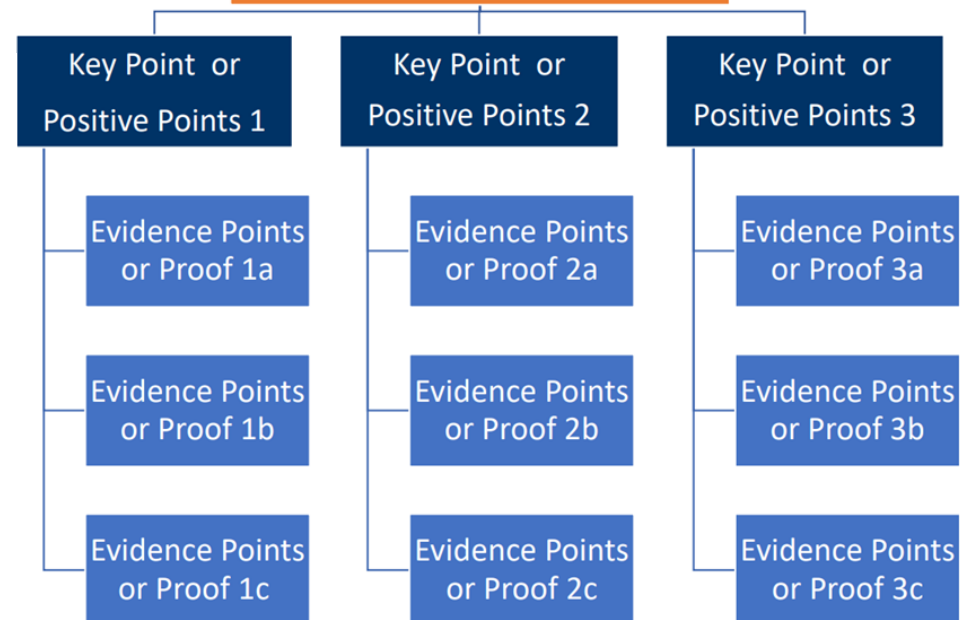
- Competitive Incumbent strengths & gaps
- What the customer wants and needs
- A very strong, aligned Capabilities Statement
- Your Business Briefing / pitch: your services
- **Message Mapping**
- Your Marketing Strategy Brand Positioning
- Web Site Elements
- Organic Search Tags ...and more

**Message mapping is a strategic and tactical framework that enables building and then “activating” your brand. It is critical to attracting and retaining your intended targeted audience.**

## Message Map



### Basic Message Map



## Value Proposition Design Importance Re-visited



Inform strategy and tactics

- Competitive Incumbent strengths & gaps
- What the customer wants and needs
- A very strong, aligned Capabilities Statement
- Your Business Briefing / pitch: your services
- **Message Mapping**
- Your Marketing Strategy Brand Positioning
- Web Site Elements
- Organic Search Tags ...and more

## Basic Message Map

Key Point or Positive Points 1

Evidence Points or Proof 1a

Evidence Points or Proof 1b

Evidence Points or Proof 1c

Key Point or Positive Points 2

Evidence Points or Proof 2a

Evidence Points or Proof 2b

Evidence Points or Proof 2c

Key Point or Positive Points 3

Evidence Points or Proof 3a

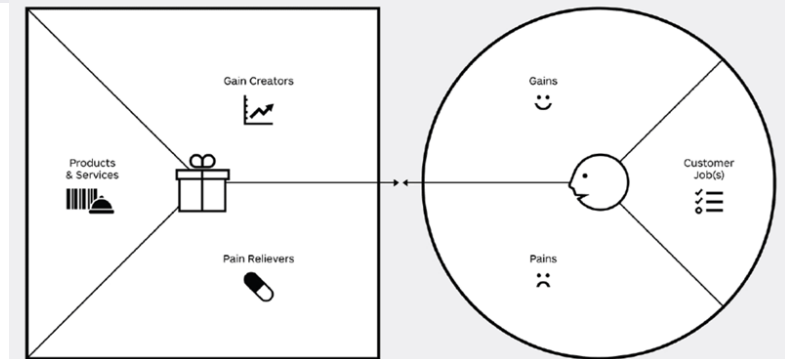
Evidence Points or Proof 3b

Evidence Points or Proof 3c

How VPD, Message Mapping and Marketing Plans are interrelated

## Value Proposition Design (VPD)

by Alex Osterwalder



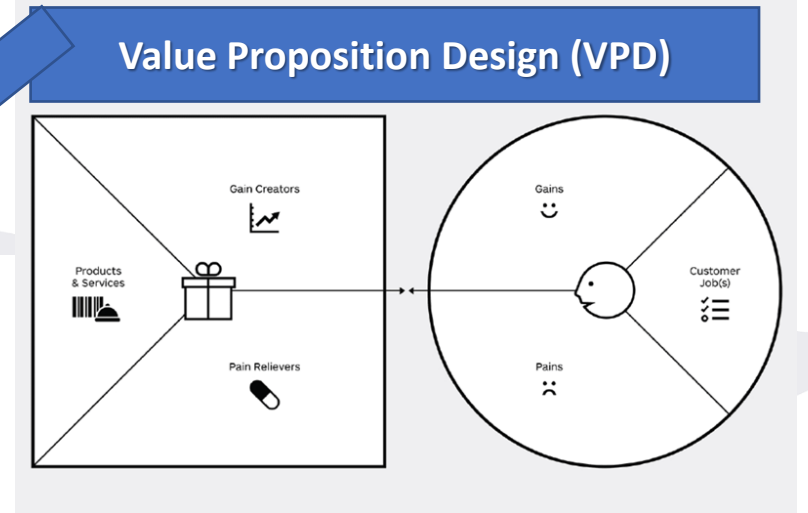
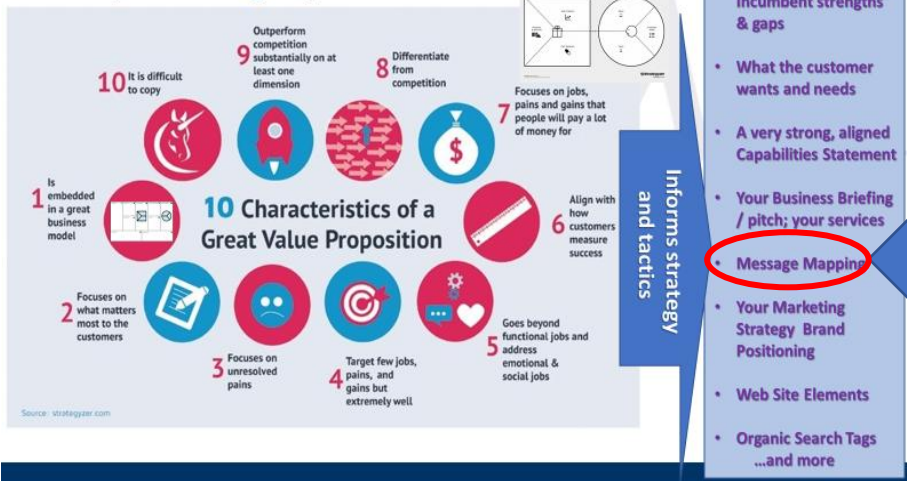
## Aim of Content Marketing:

*To Create and Distribute Original, Valuable, Educational, Relevant and Consistent marketing material, to become a trusted source in order to attract and retain an intended Targeted Audience.*

Marketing content, can website, blogs, videos, posts, pictures, etc.), designed to support the 3 pillars.

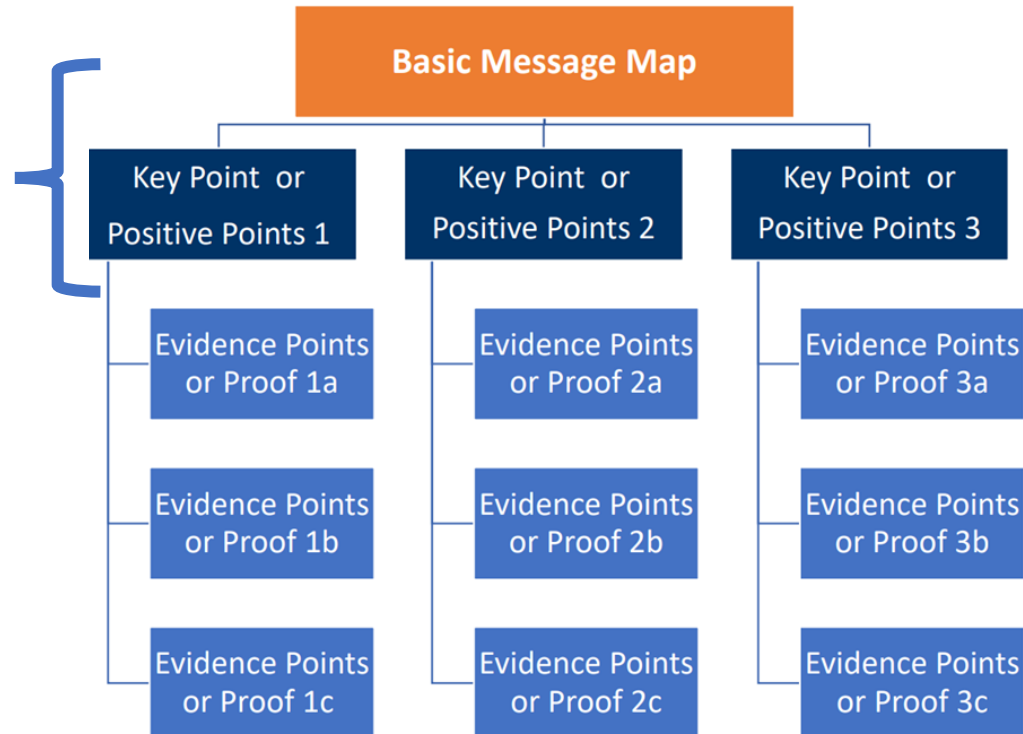
Content is developed into “themes”, then deployed via social media “channels”, paths to market, as part of a tactical marketing execution plan.

## Value Proposition Design Importance Re-visited



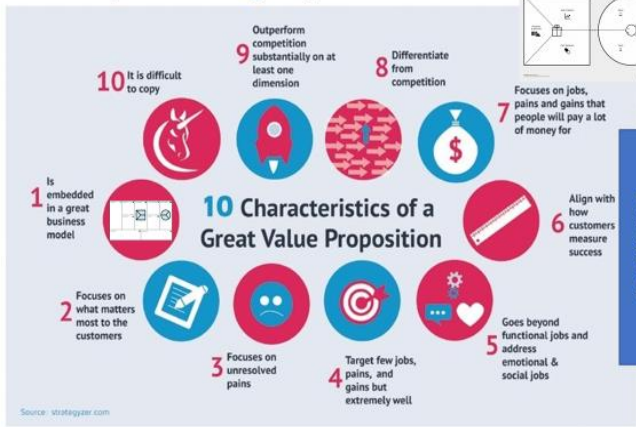
Start with Key elements, 3 “core” attributes, commitments, values you always want associated with your brand.

These “pillar” should flow naturally from your Value Proposition Design.





## Value Proposition Design Importance Re-visited

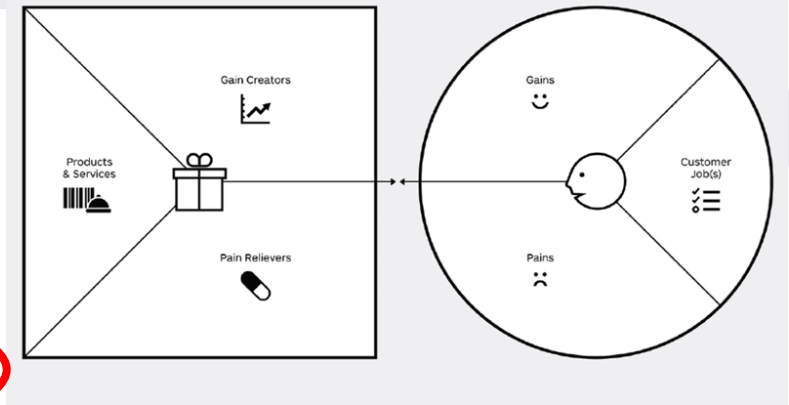


Inform strategy and tactics

- Competitive Incumbent strengths & gaps
- What the customer wants and needs
- A very strong, aligned Capabilities Statement
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- **Message Mapping**
- Your Marketing Strategy Brand Positioning
- Web Site Elements
- Organic Search Tags ...and more

## Value Proposition Design (VPD)

by Alex Osterwalder



## Basic Message Map

Key Point or Positive Points 1

Evidence Points or Proof 1a

Evidence Points or Proof 1b

Evidence Points or Proof 1c

Key Point or Positive Points 2

Evidence Points or Proof 2a

Evidence Points or Proof 2b

Evidence Points or Proof 2c

Key Point or Positive Points 3

Evidence Points or Proof 3a

Evidence Points or Proof 3b

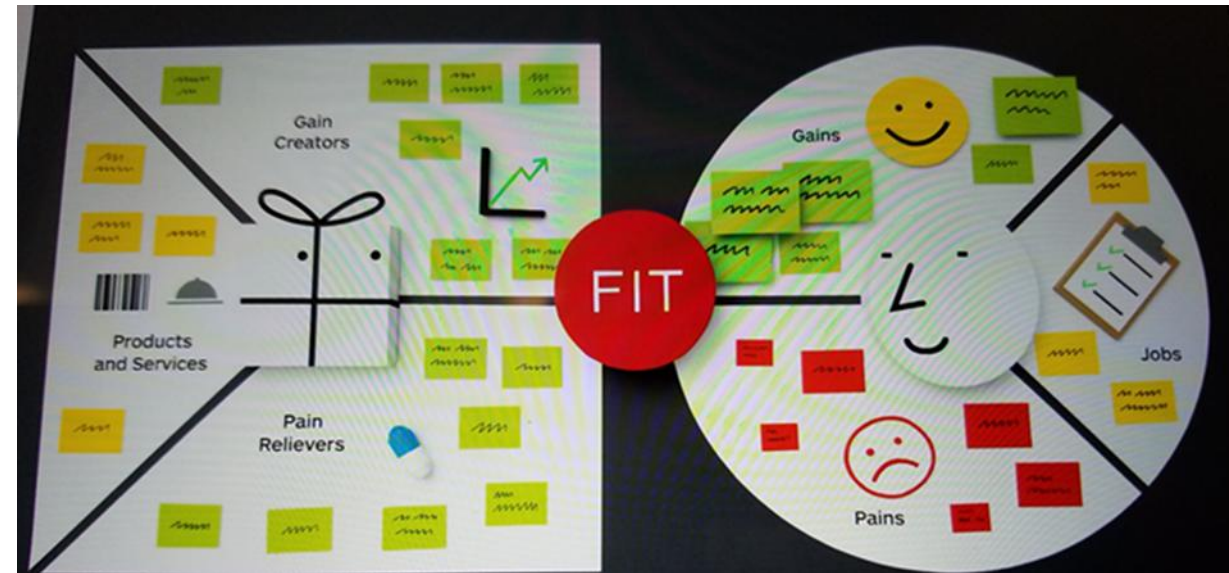
Evidence Points or Proof 3c

The Pillars should be a “mix” of both rational and emotional elements, attributes, values, commitments, etc.

Those “3 pillars in your messaging mapping strategy” then becomes your “true north” for brand positioning, brand personality and brand identity .

# VPD Product / Service Offering

Core Values,  
Attributes,  
Committments,  
Promises  
of the business





# Value Proposition Revisited

WeatherVane coffee is a *specialty coffee roaster for coffee lovers*.

We offer an inviting, convenient location and experience, that *sources, roast, and brews specialty coffee in a way which brings the soul to our coffee* for customers who care about their coffee

Specifically, we use only premium coffees that have been *carefully curated at the source*, and then *artisanally roasted*, quality controlled, and ultimately brewed by us to perfection.

The coffee is *fresh, exquisite, incredibly enjoyable, subtly complex*--a uniquely *memorable experience*.





# Weathervane Coffee Message Mapping Example

## Rational element

## Rational element

## Emotional element

*"We are a family owned, local specialty coffee roaster designed for coffee lovers"*

*"We curate all our beans at the source , then artisanally roast them for freshness , on premises , to perfection"*

*"We create a fresh, exquisite, enjoyable, subtly complex and memorable cup of coffee and the experience to with it!"*

Grew up in South America on coffee plantation

Developed a love for both great coffee and the entrepreneurial spirit for local business success

We started our business with a popup tent near our 1<sup>st</sup> location in Reston

Growing up in South American coffee bean plantation we know what growing conditions make good beans

We have our own roasting equipment on premises and use carefully quality controlled methods to roast and brew our coffee selections.

We only procure the finest coffee beans from our trusted, eco friendly and fair trade suppliers

We have a beautiful barista in the ground floor of our luxury apartment

We sell small bites for breakfast and for lunch in a pleasant and comfortable atmosphere

We have repeat customers who enjoy the coffee, our pleasant staff and each other

3 "Pillars"

Supporting themes

# 3 Pillar Message Mapping Framework

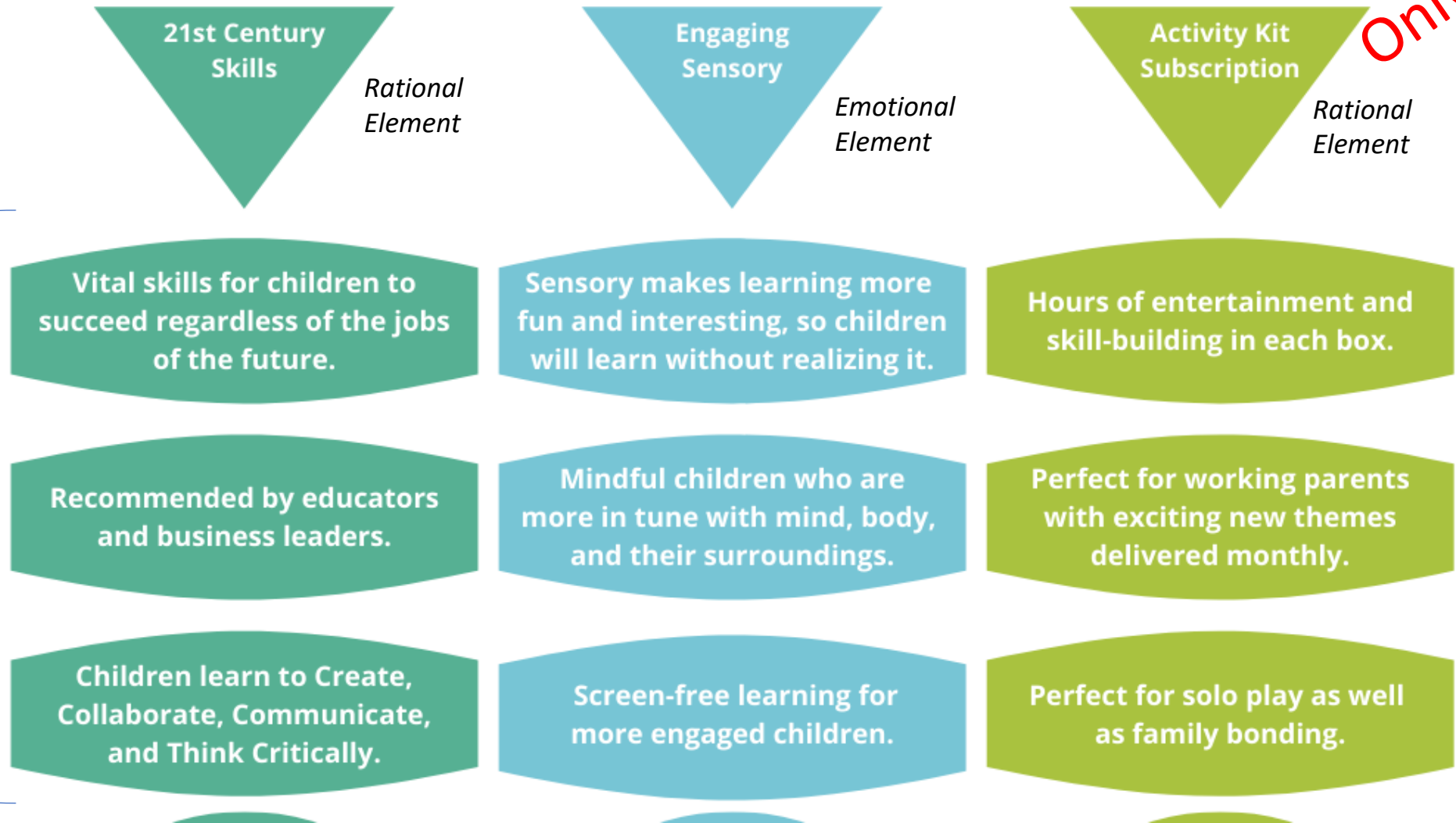
Generic Client Example Context : Children's Activity Kit base on our Senses

Illustrative  
Only

3 Core Pillars  
The "True North"

Supporting  
Messages  
for each  
core pillar;  
opportunities  
to blog, post,  
create video,  
other content

Themes for Content Development



# Content Calendar Execution Plan

Month November: THEME 1.

Week 1: Theme 1 topic 1

Week 2: Theme 1 topic 2

Week 3: Theme 1 topic 3

Week 4: Theme 1 topic 4

Month December: THEME 2.

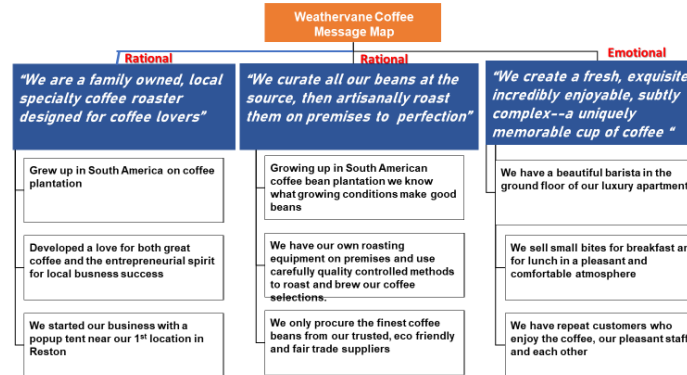
Week 1: Theme 2 topic 1

Week 2: Theme 2 topic 2

Week 3: Theme 2 topic 3

Week 4: Theme 2 topic 4

[What Is \(Effective\) Content Marketing? - YouTube](#)



Strategic Marketing Execution Plan Summary for 2H2022

Tactics / Category	Jul	Aug	Sep	Oct	Nov	Dec
Press Releases: <ul style="list-style-type: none"> <li>soft launch</li> <li>hard launch</li> <li>major events</li> <li>website</li> <li>testimonials</li> <li>new markets</li> <li>byline articles</li> <li>other</li> </ul>						
Major Events <ul style="list-style-type: none"> <li>Tradeshows</li> <li>Conferences</li> <li>Speaking Ops</li> <li>Networking</li> </ul>						
Digital Footprint <ul style="list-style-type: none"> <li>Website <ul style="list-style-type: none"> <li>SEO</li> <li>Analytics</li> </ul> </li> <li>Facebook <ul style="list-style-type: none"> <li>Ads</li> </ul> </li> <li>Instagram <ul style="list-style-type: none"> <li>Posts</li> </ul> </li> <li>Other</li> </ul>						
Collateral Materials <ul style="list-style-type: none"> <li>Posters</li> <li>Banners</li> </ul>						
Sales Development <ul style="list-style-type: none"> <li>Lead Generation</li> <li>Email push</li> <li>other</li> </ul>						

ILLUSTRATIVE ONLY

Month November: THEME 1-4

Week 1: theme 1 topic 1

Week 2: theme 2 topic 1

Week 3: theme 3 topic 1

Week 4: theme 4 topic 1

Month December: THEME 1-4

Week 1: theme 1 topic 2

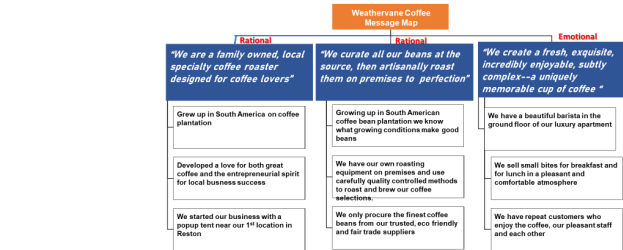
Week 2: theme 2 topic 2

Week 3: theme 3 topic 2

Week 4: theme 4 topic 2







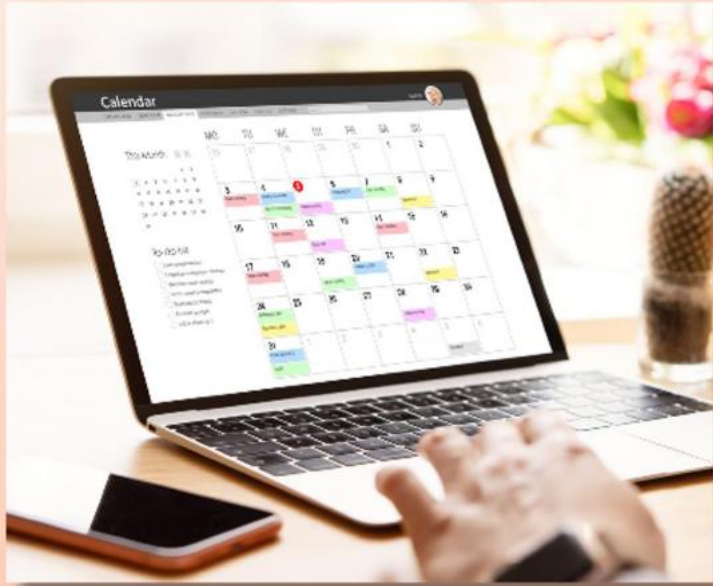
# Strategic Marketing Execution Plan Summary

Your Marketing  
“Campaign” Calendar

- 3 “Pillars are Strategic
- Supporting Element themes become your content
- Content Calendar aids in determining, directing, distributing
  - identifies channels
  - facilitates campaign timing execution

Tactics / Category	Jul	Aug	Sep	Oct	Nov	Dec
<b>Press Releases:</b> <ul style="list-style-type: none"> <li>• soft launch</li> <li>• hard launch</li> <li>• major events</li> <li>• website</li> <li>• testimonials</li> <li>• new markets</li> <li>• byline articles</li> <li>• other</li> </ul>				Post to FB		
<b>Major Events</b> <ul style="list-style-type: none"> <li>• Tradeshows</li> <li>• Conferences</li> <li>• Speaking Ops</li> <li>• Networking</li> </ul>						
<b>Digital Footprint</b> <ul style="list-style-type: none"> <li>• Website               <ul style="list-style-type: none"> <li>◦ SEO</li> <li>◦ Analytics</li> </ul> </li> <li>• Facebook               <ul style="list-style-type: none"> <li>◦ Ads</li> </ul> </li> <li>• Instagram               <ul style="list-style-type: none"> <li>◦ Posts</li> </ul> </li> <li>• Blogs</li> <li>• Other</li> </ul>		Video Blog on website				
<b>Collateral Materials</b> <ul style="list-style-type: none"> <li>• Posters</li> <li>• Banners</li> </ul>						
<b>Sales Development</b> <ul style="list-style-type: none"> <li>• Lead Generation</li> <li>• Email push</li> <li>• other</li> </ul>			1 <sup>st</sup> Email Drip		2 <sup>nd</sup> Email Drip	





**Calendar!**

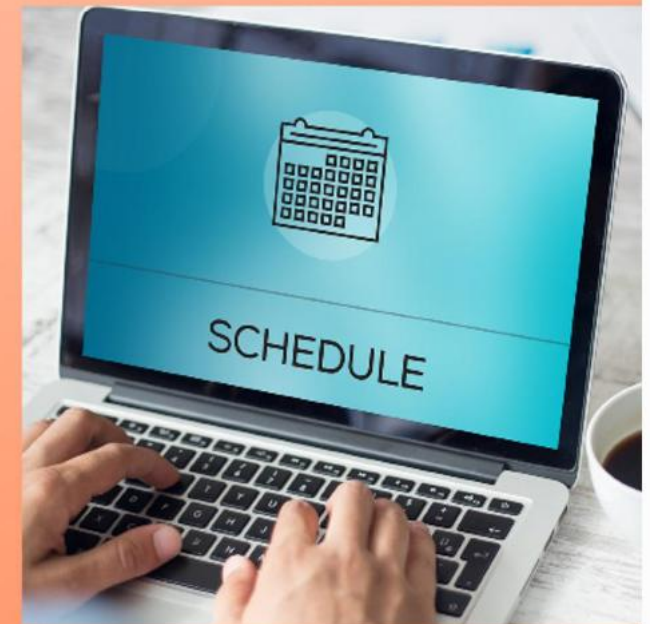
**Block  
Your  
Time!**



**Create!**



**Schedule!**



# Message Mapping, flows from VPD, and is a *Precursor* exercise to Productive Digital Marketing Development



Focus on the client



Keep branding consistent



Make messaging simple



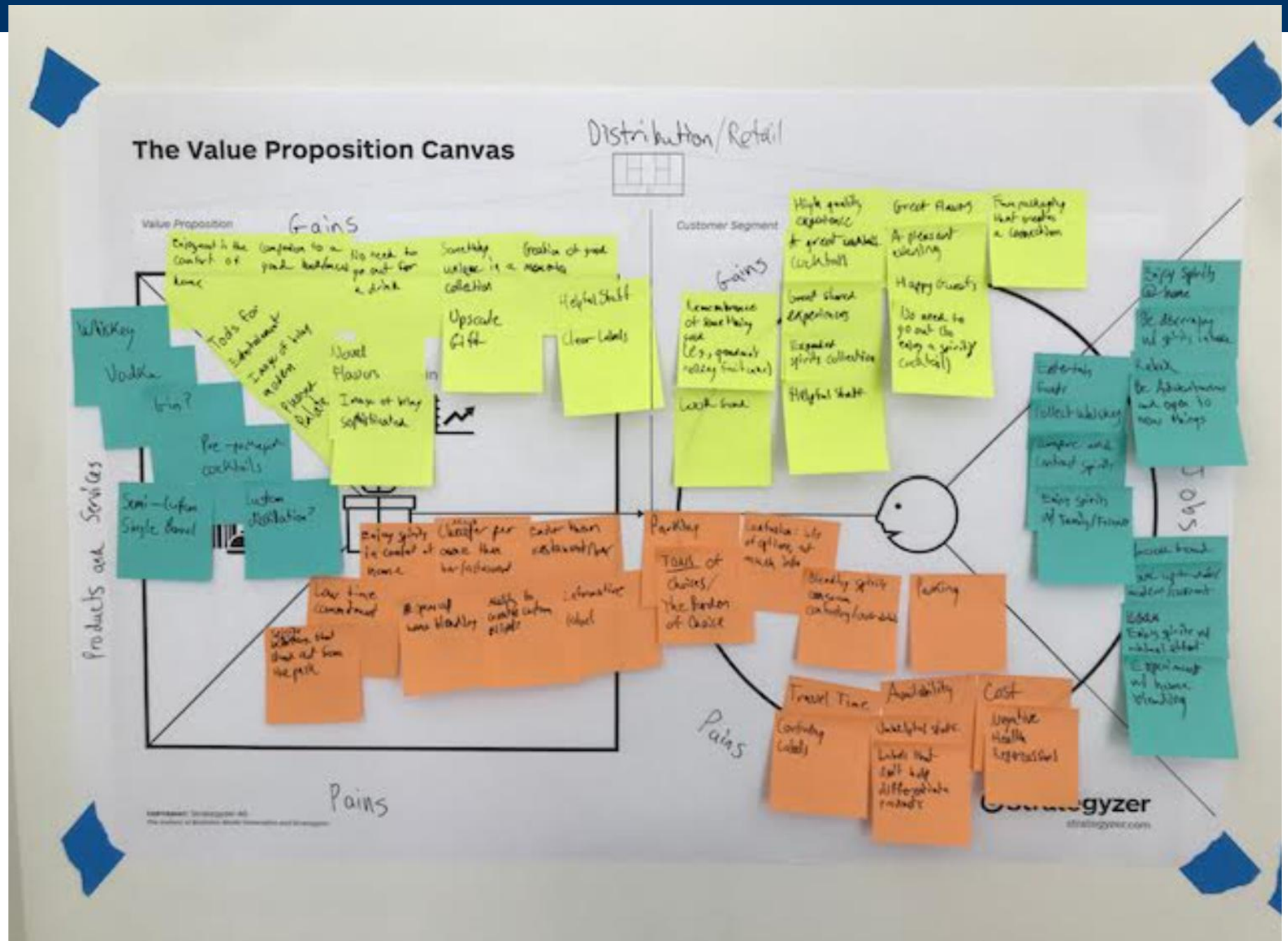
Be engaging



Be personal

[What Is \(Effective\)  
Content Marketing? -  
YouTube](#)

It is often  
worthwhile  
to revisit  
your VPD as  
your  
targeted  
customers'  
needs may  
have  
changed





*“VPD recalibration”  
has informed/enabled  
Venture / Mature  
Business to  
change/modify  
either or both of their:*

- targeting*
- product or  
service offering*



**NOTE:**

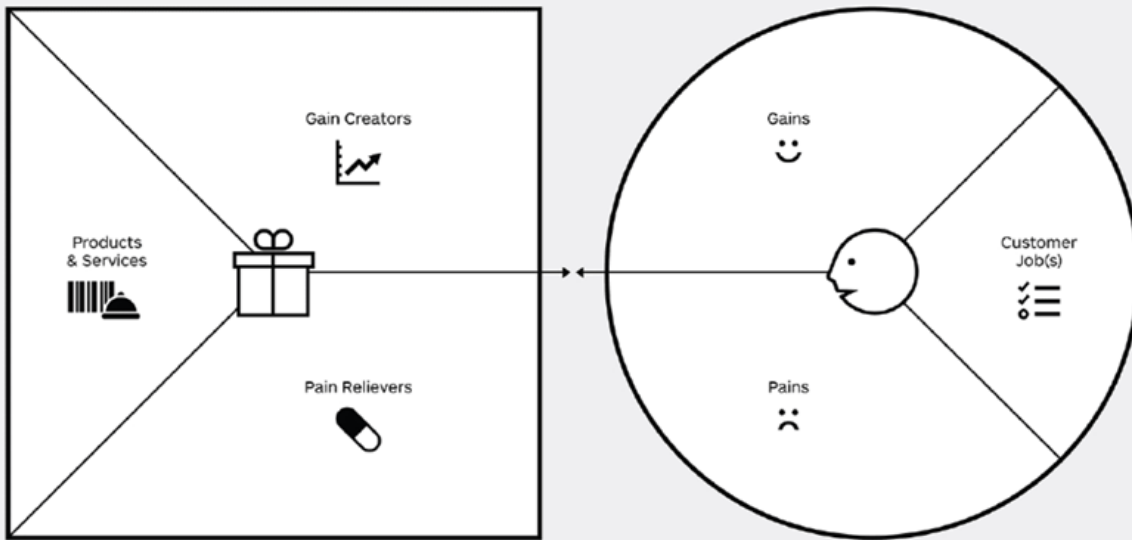
**Examples of actual NSBDC Client Case changes, based on VPD reassessments:**

- ***Restaurant*** – new online takeout offering
- ***Interior Designer*** – new offer/ new growth segment
- ***D:C Retail Business*** – new B:B customer segment
- ***Custom Manufacturer*** – pivot to a *production* offering
- ***IT / WEB 3 Services*** – pivot to early adopter segment
- ***B:C Health & Beauty products*** - new B:B segment
- ***Holistic Health*** – niche segment of predisposed clients
- ***Matls. Science*** – pivot to architect to pre-approve product

# Real World “lessons learned” from building, re-assessing (for an existing business), sound “VPD” hypotheses' with clients

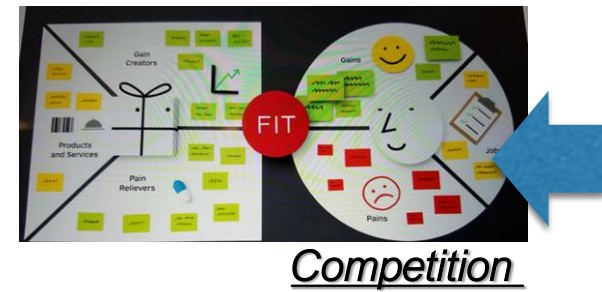
## Value Proposition Canvas

by Alex Osterwalder



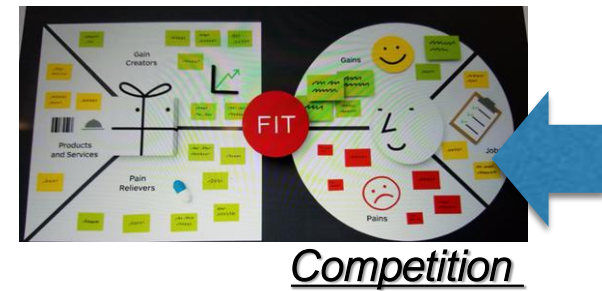


# 1. Knowing Who (specifically) your intended targeted Customer is?



LESSON  
LEARNED

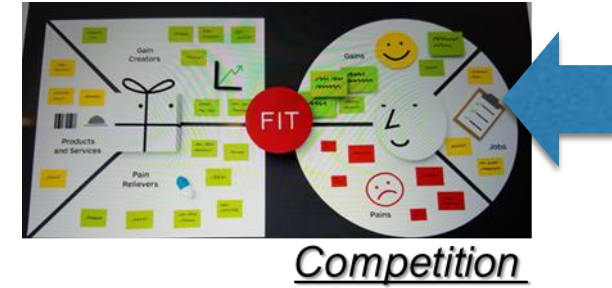
# 1. Knowing Who (specifically) your intended targeted Customer is?



Identifying with specificity, *which customer segment(s), sub segments, customers*, the *initial demand* for the *early stage, MVP* product/service offer will be coming from, how do they buy...and how do we (efficiently) find them and sell / market to them!



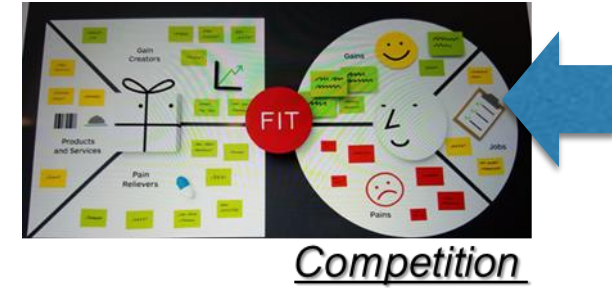
## 2. Understanding the Market Demand and Market Size for your offering



LESSON  
LEARNED



## 2. Understanding the Market Demand and Market Size for your offering

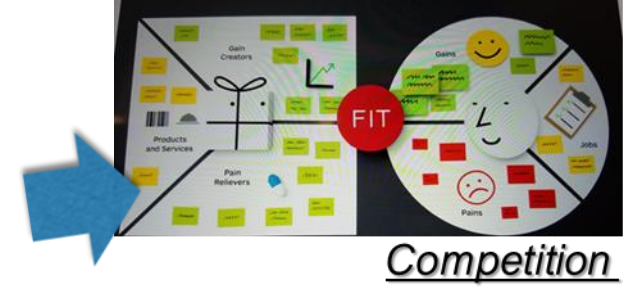


*Understand, “ground-truth” and then reasonably estimate future local demand (i.e. in units, engagements, customers, traffic, \$s, etc.), for the early stage (MVP) Minimal Viable Product or Service*



How big is the accessible market for your product / service ?

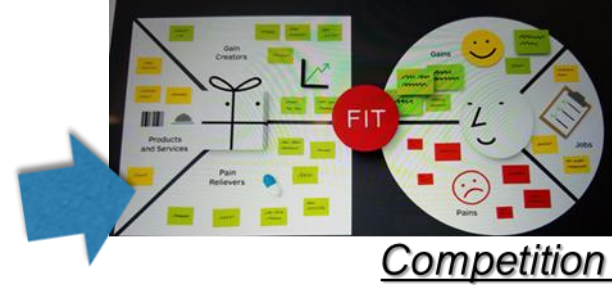
### 3. Keeping your MVP\* (proof of concept) Simple, Focused, Understandable



LESSON  
LEARNED



### 3. Keeping your MVP\* (proof of concept) Simple, Focused, Understandable



Ensure the range of the initial Minimal Viable Product or Service \*(MVP) offering is not too broad.

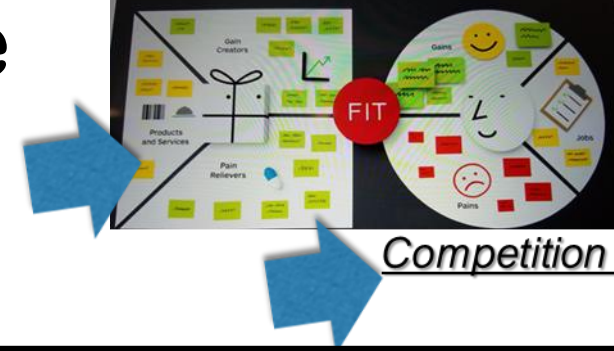
Ask yourself, *it is multiple products or services being sold into multiple customer segments at the same time having multiple different personas.*

If so, your initial offering to the marketplace may be too complex for your early stage MVP.

*Q: Could a broader product line, or service offering be launched in "phases" into the marketplace?*

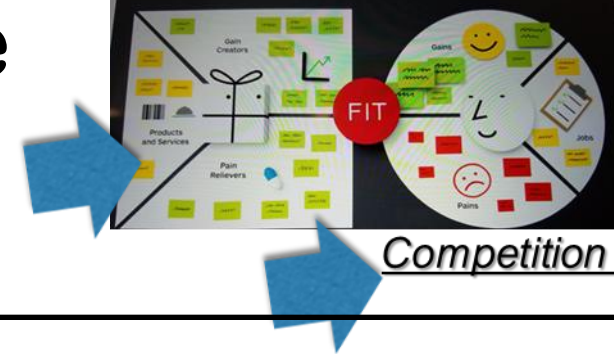
Multiple Features?  
Multiple Geographies?  
Layers of Customization?  
Complex Supply Chain?  
High COGs?  
Lacks Synergy between  
Multiple Customer Segments?  
Lacks Synergy in  
Manufacturing?  
Complex Pricing Structures?  
Complicated Logistics and  
Business Plan?

4. Explaining how your “*SOLUTION*” to the problem is Different, Unique, Novel, Innovative, Beneficial..and needed.



LESSON  
LEARNED

# 4. Explaining how your “*SOLUTION*” to the problem is Different, Unique, Novel, Innovative, Beneficial..and needed.



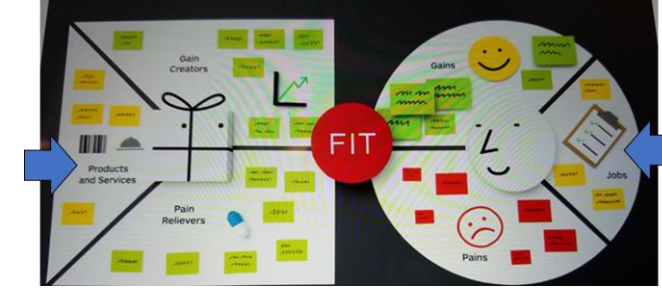
*Understand how, specifically, the product/service offer is “as good as or better than” competition and brings tangible, quantifiable benefits to your customers*



CUSTOMER  
BENEFITS

\$\$\$\$s  
Time  
Cost Avoidance

# 5. Building the solution (product or service offering) on the basis of your Strengths

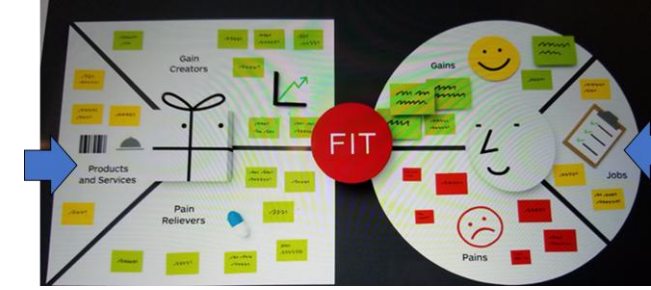


*Problem...Solution...Fit*





# 5. Building the solution (product or service offering) on the basis of your Strengths



*Problem...Solution...Fit*

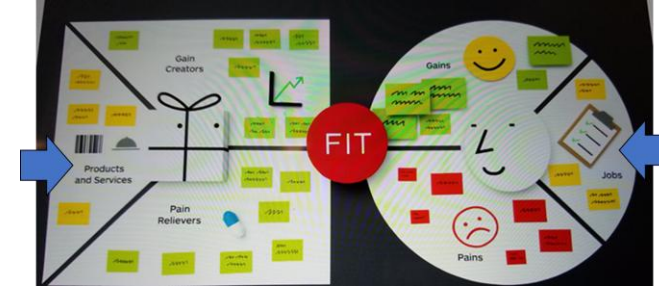
*How specifically does the initial MVP product/service offering **play to founders' strength.***

*Is it within her/his area of specific capability, **demonstrated competencies, or, very particular area of focus or expertise.***



## 6. Using the power of the VPD Framework model ***BEFORE:***

- > creating your legal entity
- > building your website
- > starting your business.

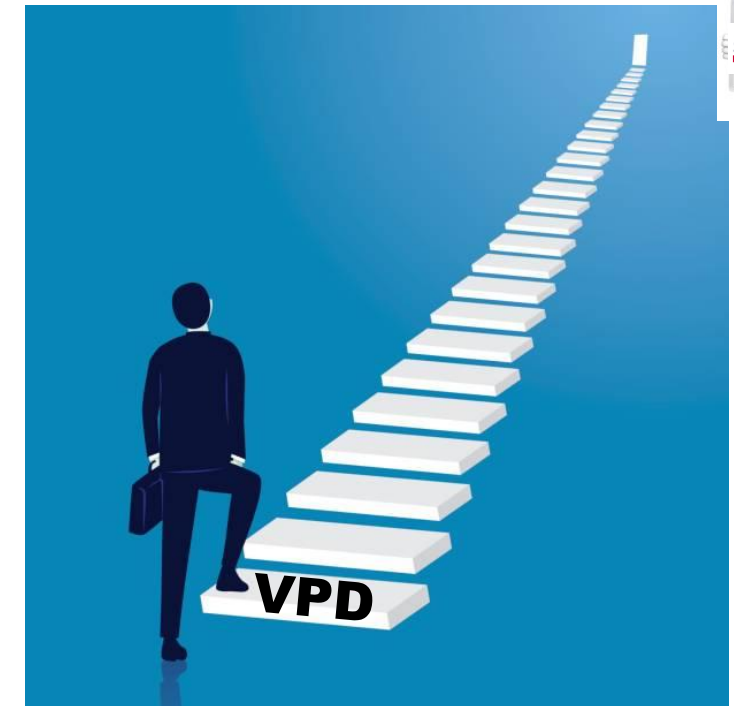


## 6. Using the power of the VPD Framework model ***BEFORE***:

- > creating your legal entity
- > starting your business
- > building a website



VPD is a best in class, practical ***framework*** that clearly lays out the hypothesis, rationale and ***details of a path forward*** that helps describe ***how*** organizations intend to ***create***, deliver and capture ***value***.



Coach/Mentor



**7. Business leaders should aspire to become and remain Subject Matter Experts (SME) in their ecosystem.**





# 7. Business leaders should aspire to become and remain Subject Matter Experts (SME)

The marketplace is dynamic.

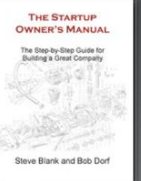
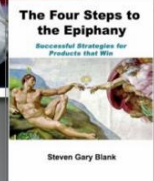
There is competition.

There is considerable “homework” required to continuously create, communicate and deliver and extract value to support your Value Proposition Design (VPD)



Ensures you can continue to monetize the value you worked so hard to create!

# 8. Get out...Build, Discover, Assess, Learn, Adjust, Pivot



Steve Blank  
Customer Development

**“No business plan survives first contact with a customer”**

—Steve Blank,  
Silicon Valley-based retired serial entrepreneur.

# 8. Get out...Build, Discover, Assess, Learn, Adjust, Pivot

## THE 5 KEY INTERVIEW QUESTIONS

***1. What's the hardest part about [problem context] ?***

***2. Can you tell me about the last time that happened?***

***3. Why was that hard?***

***4. What, if anything, have you done to solve that problem?***

***5. What don't you love about the solutions you've tried?***

References on Lean Startup  
Customer Discovery:

1. "Customer Discovery and Customer Validation in Lean Software Startups" by Tuomas Tähti.

2. "Customer Discovery Basics" by Harvard Business School.

3. "The Mom Test" by Rob Fitzpatrick

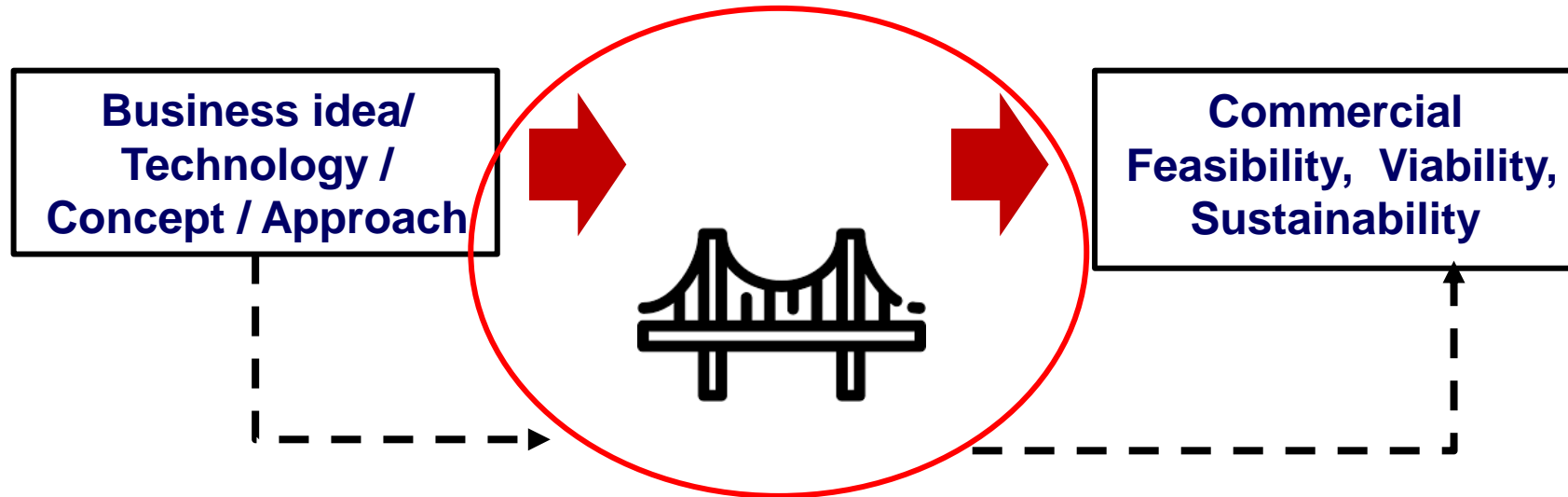
4. "Obviously Awesome" by April Dunford.

# SUMMARY



The VPD forms a rock solid business foundational platform.





**Business must aspire to**  
**1)Create, 2)Communicate, 3)Deliver,**  
**and 4)Capture (Market) Value...**

**...to ensure we get across the valley of death!**

# Our Value Proposition Design (VPD) is at the heart of the Business Model Canvas

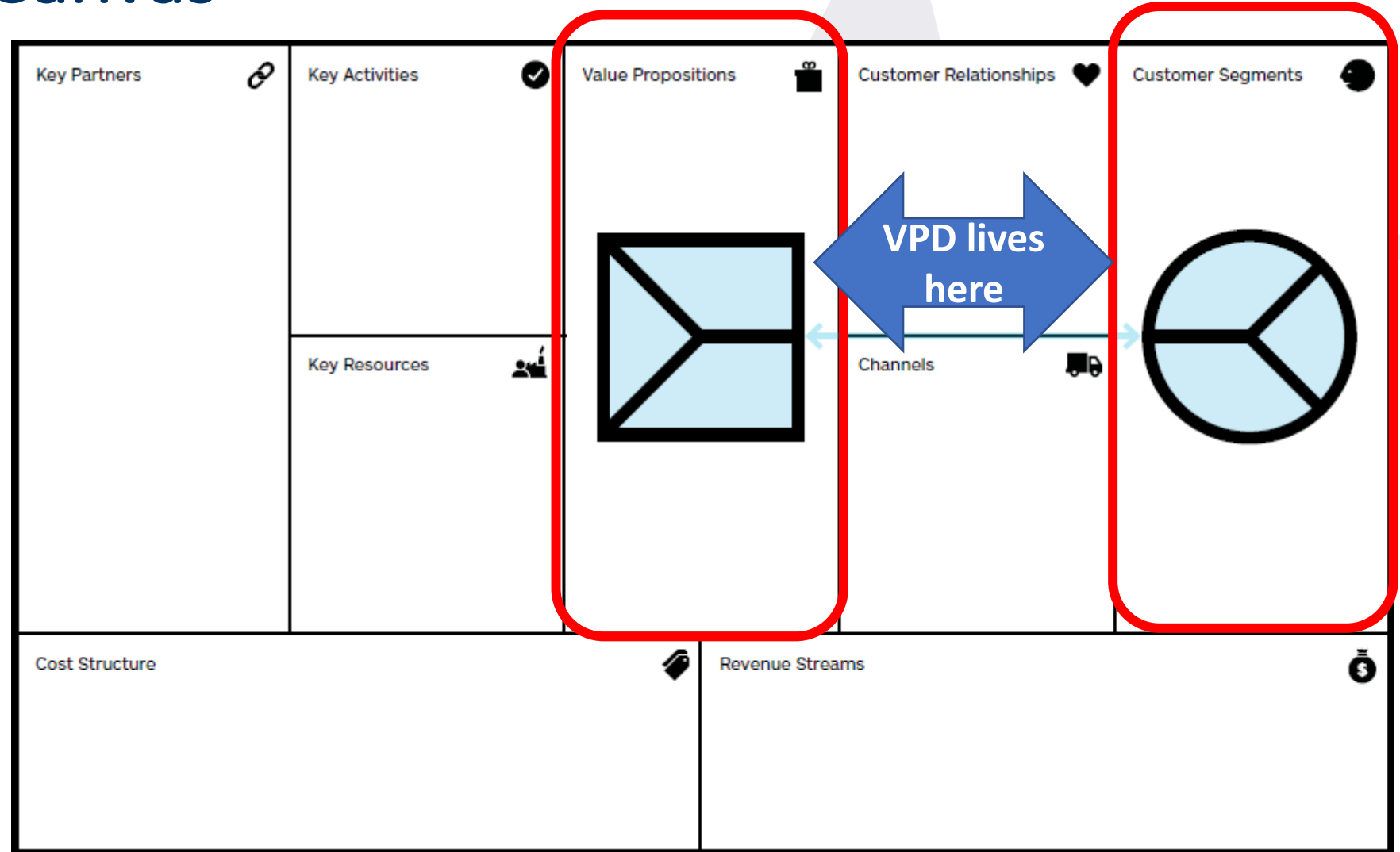
It is a *strategic management and lean template* for developing new (or documenting existing) business models.

It is a simplified visual map having 9 elements describing a firm's product's / service value proposition, relationships, customers, and financials.

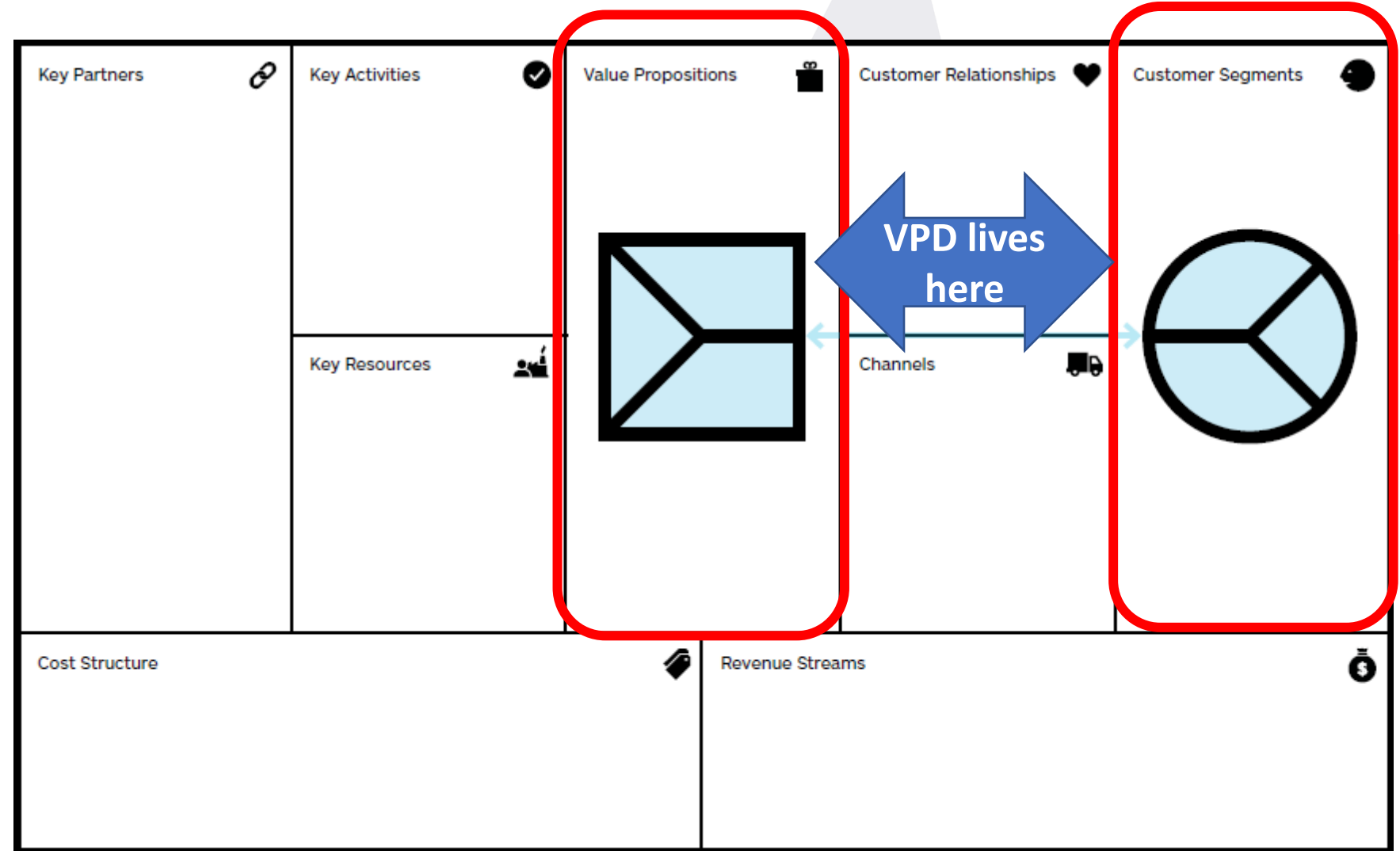
It creates common language and a shared understanding around the firms' business approach.

It is an alignment tool that helps firms manage highly inter-related activities.

[Source: en.wikipedia.org](https://en.wikipedia.org)



Remember  
VPD's  
“Circle”  
and  
“Square”





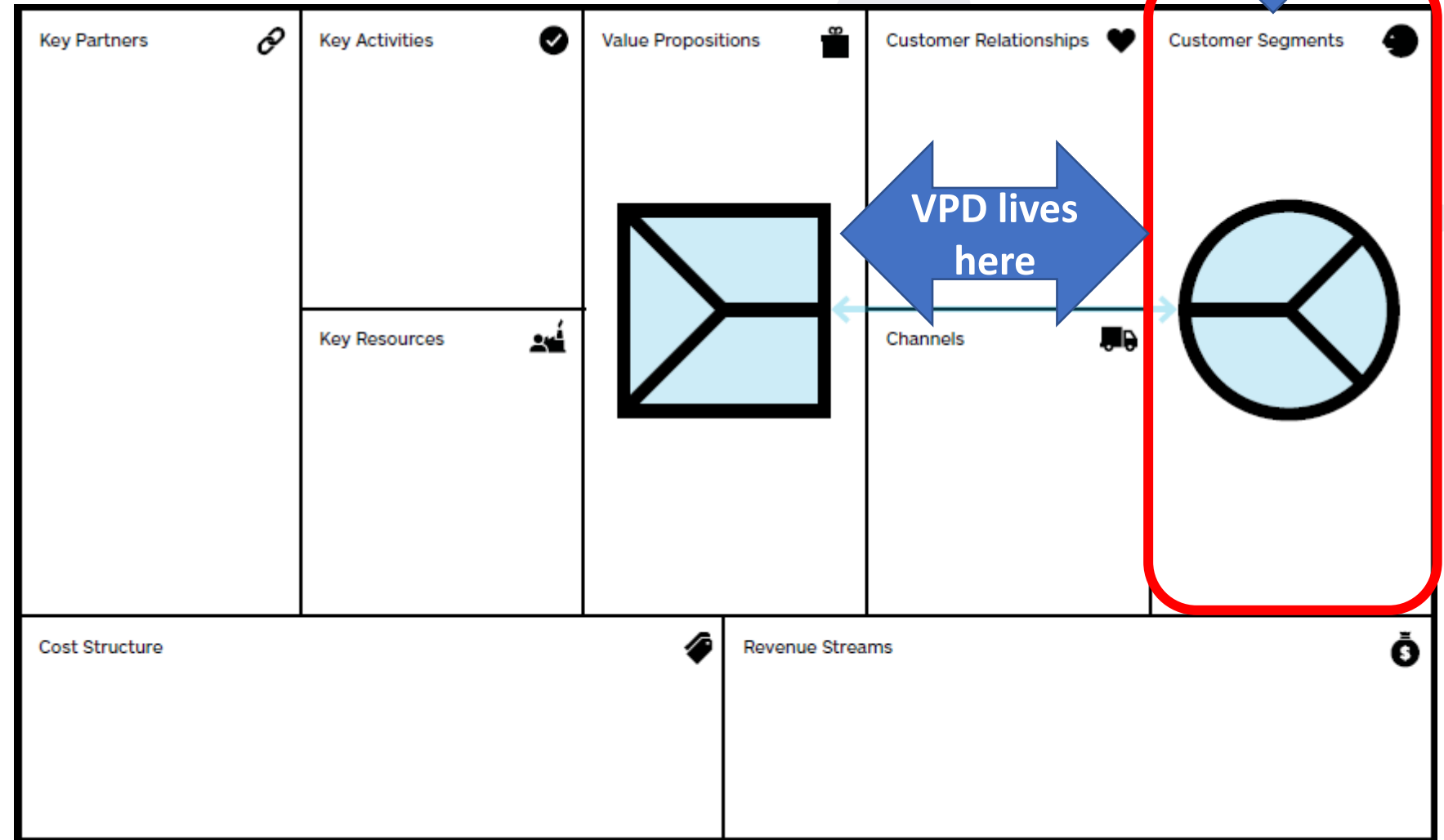
Again, think **“CIRCLE”**  
or intended *targeted*  
*Customer*  
*Segment/Sub*  
*Segment...and...*

...Think **“SQUARE”** or  
your *product / service*  
*offer* aligned with the  
Intended targeted  
customer needs

## Value Proposition Design



# Questions for the Circle





Do You Really

KNOW YOUR  
CUSTOMER



?



?

Do You Really

KNOW YOUR

Government  
Customer







Do You Really

KNOW YOUR  
CUSTOMER

---



Segmentation ?





Do You Really

KNOW YOUR  
CUSTOMER



---

Persona?

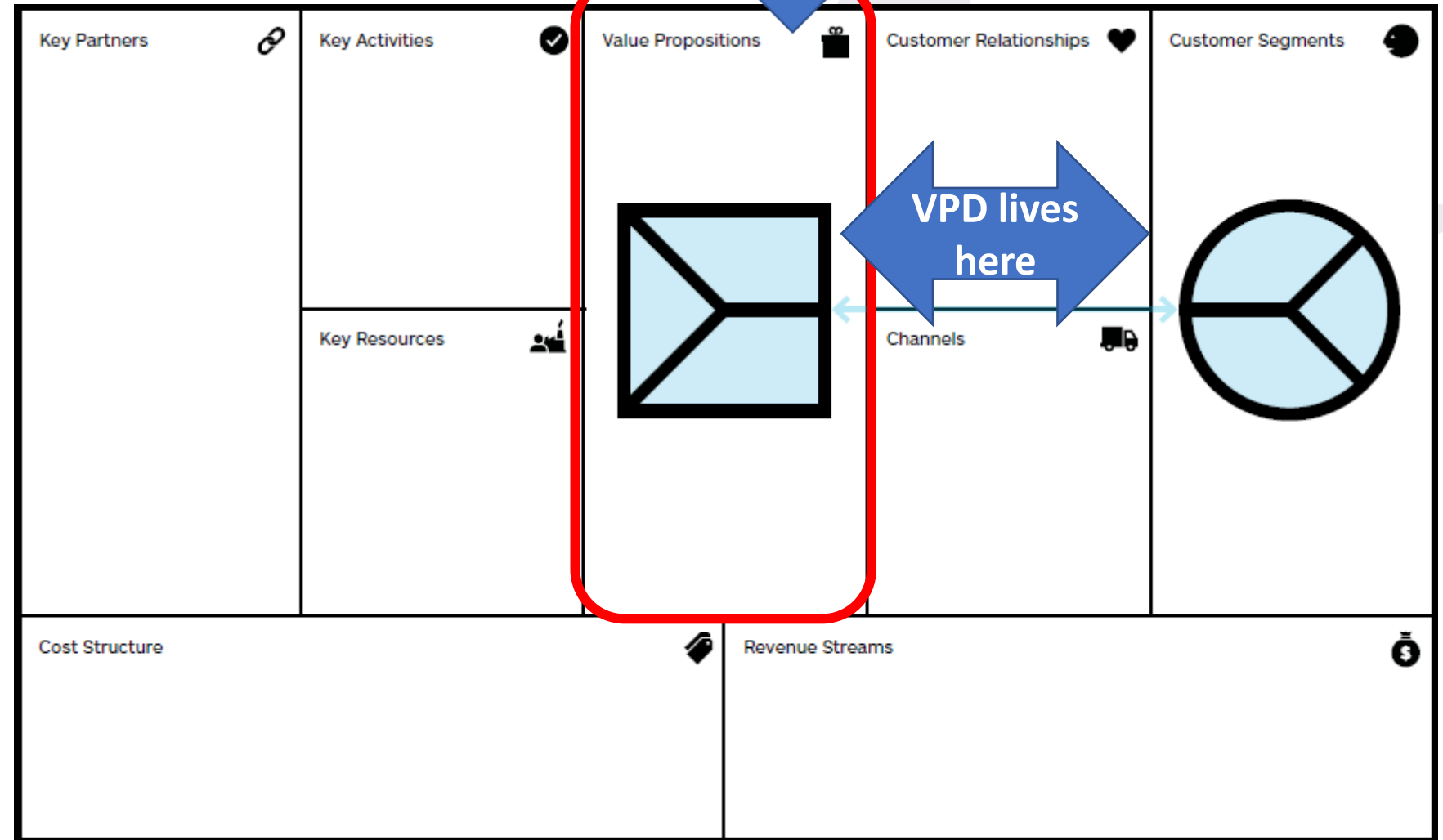
Do You Really

**KNOW YOUR  
COMPETITORS**

---



# Questions for the Square





?

# Do You Really KNOW YOUR

Product / Service Alignment with  
what you learned during  
Customer Discovery







?

# Do You Really KNOW YOUR

Points of Differentiation, your  
“secret sauce” your unique  
value in the Marketplace?







?

# Do You Really KNOW YOUR

Message Mapping and how it  
can flow into Website Design,  
Marketing Strategy and  
Tactical Execution





# Today's Learning Objectives Revisited:

- ✓ ...be introduced to or *review the principles surrounding the foundational value of the Value Proposition Design* (VPD) to your business
- ✓ ...understand how key elements of the *VPD can offer fresh perspectives* to help inform actions you can take that may lead to continuous improvement and further growth
- ✓ ...see the *connection between the VPD, message mapping and your marketing strategy & tactics*
- ✓ ...get *answers to some of your specific questions* along the way!



Thank  
you!



HELLO  
my name is

"Coach S."

George Siragusa  
Senior  
Business  
Adviser

<https://www.linkedin.com/in/georgesiragusa/>

Seeking our ***NO-COST*** Business  
Assistance?

Mason SBDC  
10306 Eaton Place  
Suite 180  
Fairfax, VA 22030  
(703) 261-4105

Our Website:

[www.masonsbdc.org](http://www.masonsbdc.org)

- **Resources:** <https://www.virginiasbd.org/>
- **Contacts:** [help@masonsbdc.org](mailto:help@masonsbdc.org) or (703) 261-4105
- **1:1 Counseling:** <https://clients.virginiasbdc.org/reg.aspx?mode=counsel&center=46110&subloc>
- **Workshops:** <https://masonsbdc.org/workshops/>

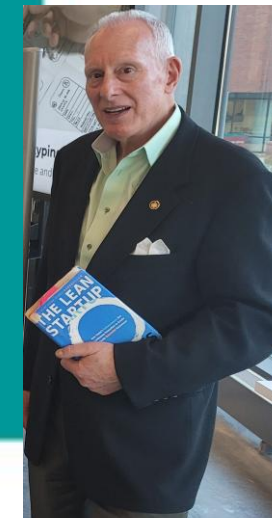
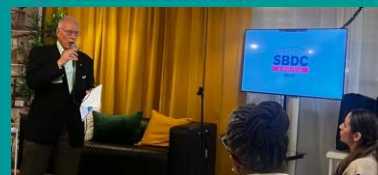




# Lets open the Dialog. Questions?:



## "Coaches' Corner"



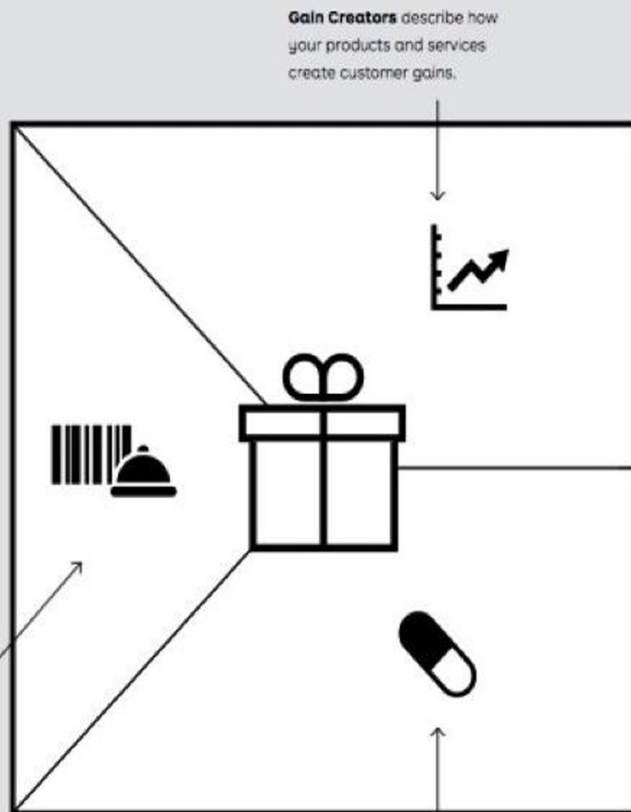


# Backup Pages

# Value Map

The Value (Proposition) Map describes the features of a specific Value Proposition in your business model in a more structured and detailed way. It breaks your value proposition down into products and services, pain relievers, and gain creators.

A list of all the **Products and Services** a value proposition is built around.

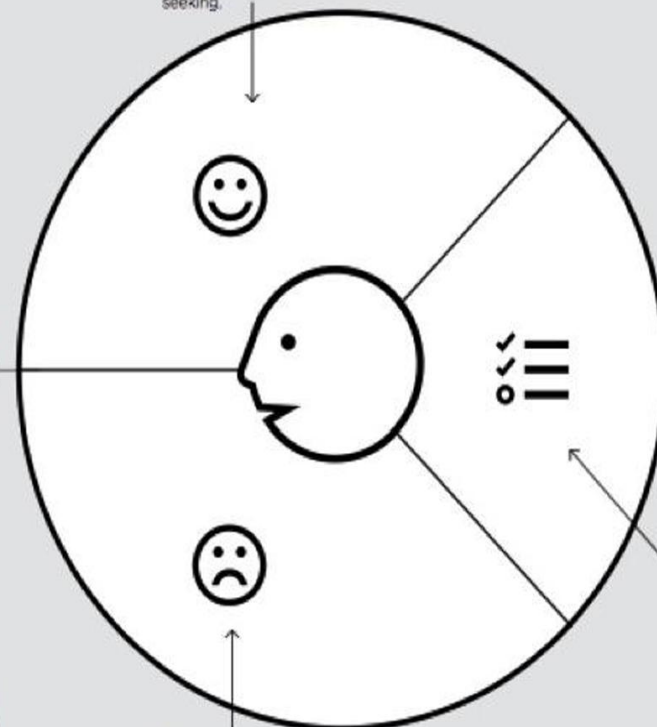


**Gain Creators** describe how your products and services create customer gains.

**Pain Relievers** describe how your products and services alleviate customer pains.



**Gains** describe the outcomes customers want to achieve or the concrete benefits they are seeking.



# Customer Profile

The Customer (Segment) Profile describes a specific Customer Segment in your business model in a more structured and detailed way. It breaks the customer down into that customer's jobs, pains, and gains.

**Customer Jobs** describe what customers are trying to get done in their work and in their lives expressed in their own words.

**Pains** describe bad outcomes, risks, and obstacles related to customer jobs.

You achieve **Fit** when your value map meets your customer profile — when your products and services produce pain relievers and gain creators that match one or more jobs, pains, and gains that are important to your customer.

# Reading Recommendations

---

- Lean Business
  - BMC - <https://a.co/d/aP183Zy>
  - VPD - <https://a.co/d/3XvVMCZ>
- B2B & B2G Selling
  - The Challenger Sale - <https://a.co/d/bY8Aqt3>
  - The Challenger Customer - <https://a.co/d/j7rJr3I>
  - Customer Centric Selling - <https://a.co/d/9PbzYok>
- Prospecting & Assumption Validation
  - The Mom Test - <https://a.co/d/4a4EUuQ>
- B2C and SaaS
  - Product Led Growth - <https://a.co/d/e4JhOCo>
  - Predictable Revenue: Turn Your Business into a Sales Machine .... - <https://a.co/d/iSuMxBA>

Research Tools to Support  
VPD

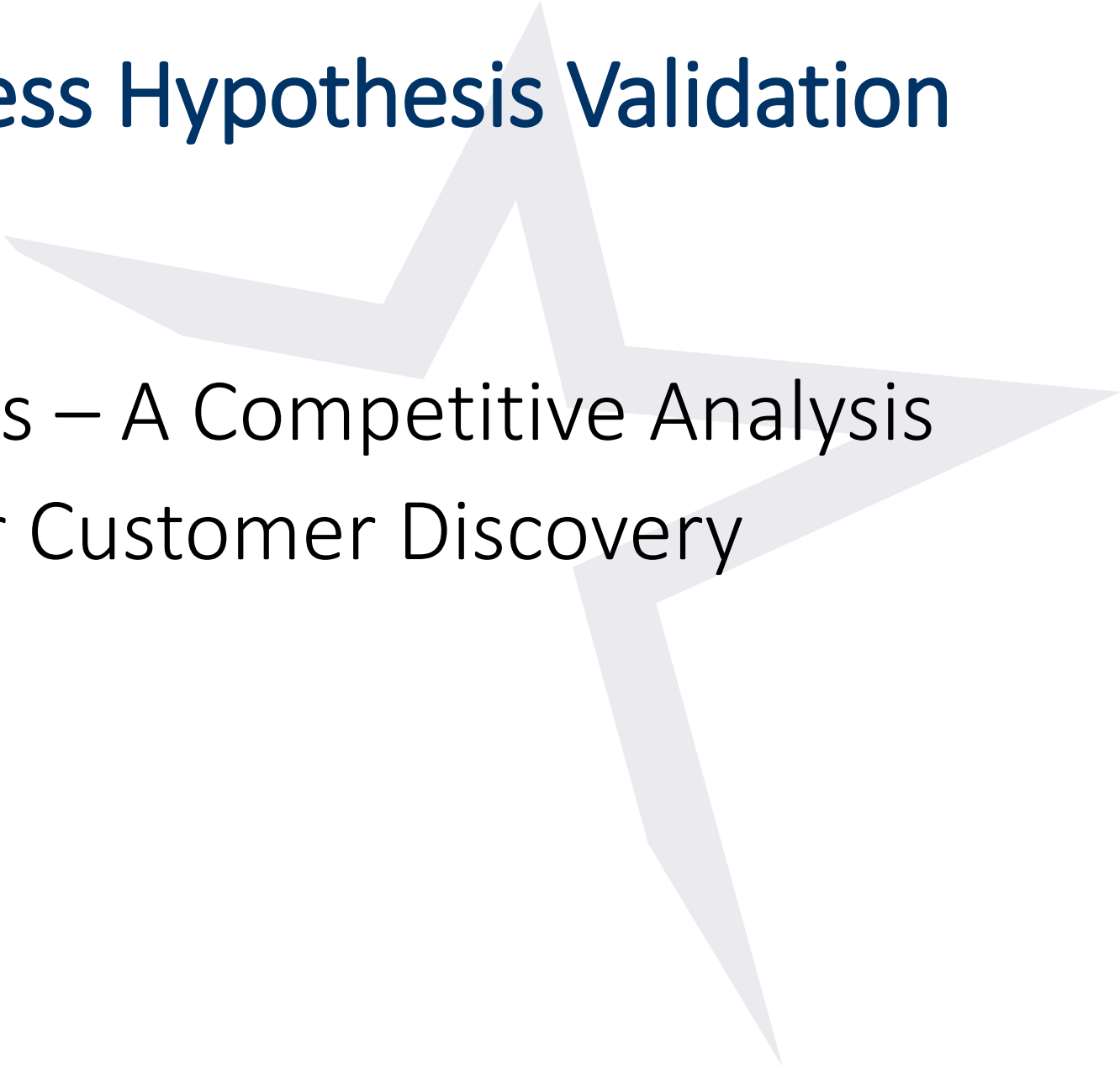
Customer and Competitive Data Search




# VPD Resources

- What customers really want to buy -  
<https://www.youtube.com/watch?v=tLojDcsHI-A&feature=youtu.be>
- Developing a VPD (Subodh) -  
<https://pwc.missionignitionva.org/2021/09/session-one-orientation/>
- VPD by Coach George Siragusa -  
YouTube: <https://www.youtube.com/watch?v=81LDOmSxhHE>
- VPD workbook -  
[https://docs.google.com/document/d/1zmGx6TYx0kJNEsrS\\_GtjhCwrd8WrTBSqKBORPdfiotc/edit?usp=sharing](https://docs.google.com/document/d/1zmGx6TYx0kJNEsrS_GtjhCwrd8WrTBSqKBORPdfiotc/edit?usp=sharing) Read only. You will need to make a copy in your Google Drive to edit

# VPD Research – Business Hypothesis Validation

- Determining Market Size
  - Understanding Substitutes – A Competitive Analysis
  - Building Prospect Lists for Customer Discovery
  - Needs and Wants
  - Keyword Search
- 

# Market Size – Nationwide or Local

- Consumer
    - US Census, IBIS World, Vertical IQ, BizMiner
  - Business
    - A to Z Database, USA Spending, Google Maps, B2B Yellowpages
  - US Statistics
    - [USAFacts | Nonpartisan Government Data](#)
  - Frost and Sullivan
    - [Online Store for Global Market Research Studies and Analysis - Frost & Sullivan](#)
- 

# SBA Market Research Tools

- <https://www.sba.gov/business-guide/plan-your-business/market-research-competitive-analysis#section-header-4>

Focus	Goal	Reference
General business statistics	Find statistics on industries, business conditions.	<a href="#">NAICS</a> , <a href="#">USA.gov Statistics</a> , <a href="#">U.S. Census Business Builder</a>
Consumer statistics	Gain info on potential customers, consumer markets.	<a href="#">Consumer Credit Data</a> , <a href="#">Consumer Product Safety</a>
Demographics	Segment the population for targeting customers.	<a href="#">U.S. Census Bureau</a> , <a href="#">Bureau of Labor Statistics</a> <a href="https://www.census.gov/en.html">https://www.census.gov/en.html</a>
Economic indicators	Know unemployment rates, loans granted and more.	<a href="#">Consumer Price Index</a> , <a href="#">Bureau of Economic Analysis</a>
Employment statistics	Dig deeper into employment trends for your market.	<a href="#">Employment and Unemployment Statistics</a>
Income statistics	Pay your employees fair rates based on earnings data.	<a href="#">Earnings by Occupation and Education</a> , <a href="#">Income Statistics</a>

## Use competitive analysis to find a market advantage

Competitive analysis helps you learn from businesses competing for your potential customers. This is key to defining a competitive edge that creates sustainable revenue.

Your competitive analysis should identify your competition by product line or service and market segment. Assess the following characteristics of the competitive landscape:

- Market share
- Strengths and weaknesses
- Your window of opportunity to enter the market
- The importance of your target market to your competitors
- Any barriers that may hinder you as you enter the market
- Indirect or secondary competitors who may impact your success



# More Market Research Tools

General business statistics	Find statistics on industries, business conditions.	<a href="#">NAICS</a> , <a href="#">USA.gov Statistics</a> , <a href="#">U.S. Census Business Builder</a>
Consumer statistics	Gain info on potential customers, consumer markets.	<a href="#">Consumer Credit Data</a> , <a href="#">Consumer Product Safety</a>
Demographics	Segment the population for targeting customers.	<a href="#">U.S. Census Bureau</a> , <a href="#">Bureau of Labor Statistics</a>
Economic indicators	Know unemployment rates, loans granted and more.	<a href="#">Consumer Price Index</a> , <a href="#">Bureau of Economic Analysis</a>
Employment statistics	Dig deeper into employment trends for your market.	<a href="#">Employment and Unemployment Statistics</a>
Income statistics	Pay your employees fair rates based on earnings data.	<a href="#">Earnings by Occupation and Education</a> , <a href="#">Income Statistics</a>
Money and interest rates	Keep money by mastering exchange and interest rates.	<a href="#">Daily Interest Rates</a> , <a href="#">Money Statistics via Federal Reserve</a>
Production and sales statistics	Understand demand, costs and consumer spending.	<a href="#">Consumer Spending</a> , <a href="#">Gross Domestic Product (GDP)</a>
Trade statistics	Track indicators of sales and market performance.	<a href="#">Balance of Payments</a> , <a href="#">USA Trade Online</a>
Statistics of specific industries	Use a wealth of federal agency data on industries.	<a href="#">Statistics of U.S. Businesses</a>

# Competitive Analysis

- Google Key Word Search
- Associations – Gale Directory
- A to Z – NAICS Code, Location
- Company Insights [Owler](#)
- SBA Small Business Dynamic Search
  - [SBA - Dynamic Small Business Search](#)
- Chamber/EDA Directories
- WhiteSparc Citation Search
- Statista
- Ibis World
  - [List of Industries - United States | IBISWorld](#)
  - [US State Industry Reports in Virginia | IBISWorld](#)



# Customer Discovery Interview List

- Google Key Word Search
- A to Z – NAICS Code, Location
- LinkedIn
- Your Personal Networks
- Chambers/Networking Groups
- Trade Shows



# Needs and Wants without Interviews

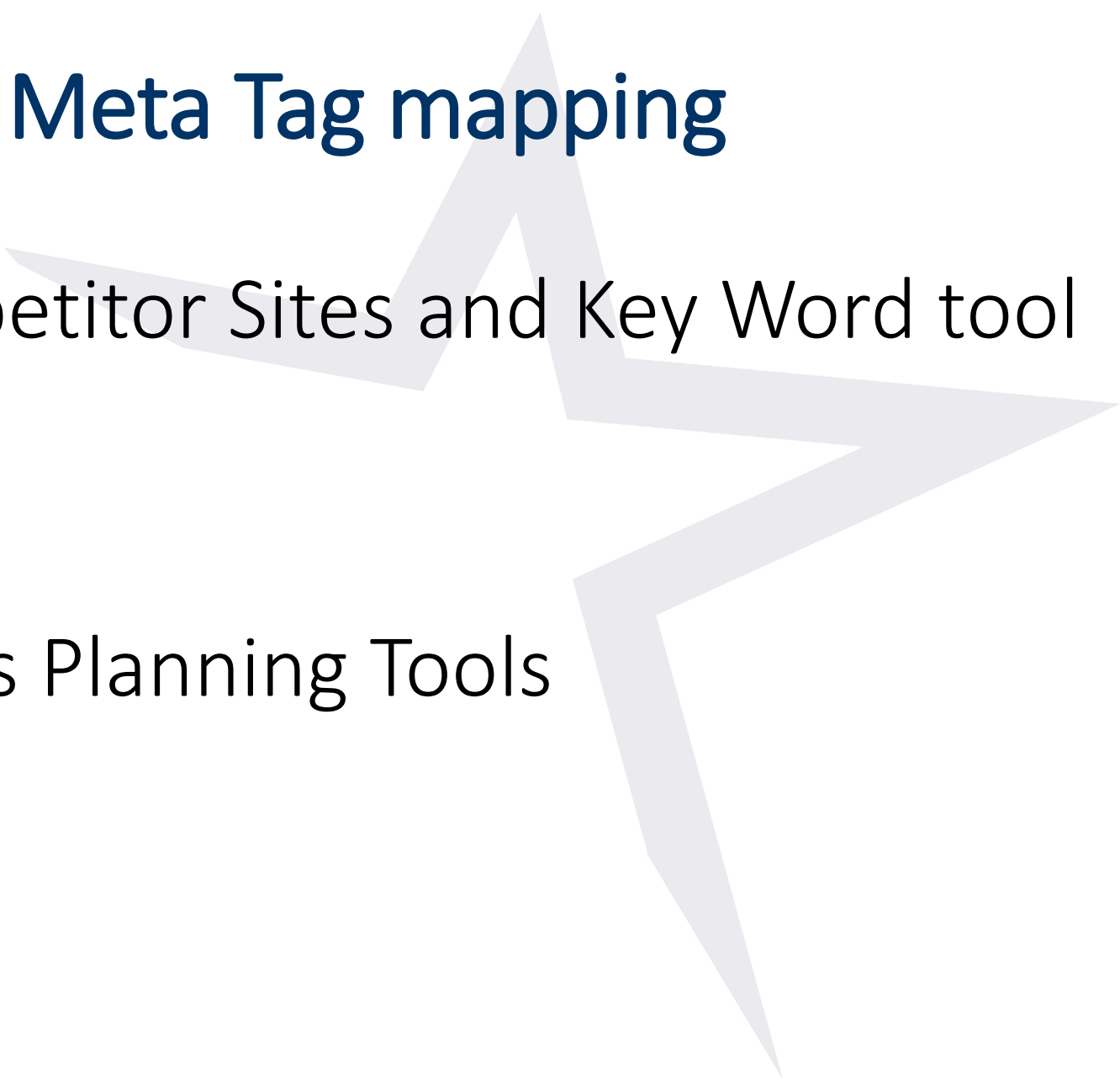
- Request for Proposals – Statement of Work
- Mission/Vision of Target Customers
- Amazon and other Product Review Sites
- Review Aggregators
- News Articles
- Buzzsumo
- Injury Database - [Injury Facts - National Safety Council](#)



# Forecasting

- Hubspot Forecasting Guide
  - [The Ultimate Guide to Forecasting.pdf \(hubspot.com\)](#)

# Key Words Research – Meta Tag mapping

- SEO Site Checkup on Competitor Sites and Key Word tool
  - SEM Rush
  - Google Search - FAQs
  - Google/Facebook AdWords Planning Tools
  - Ask Hussain
- 

# Miscellaneous Sources

- [USAFacts | Nonpartisan Government Data](#)
  - [Data Sources | USAFacts](#)
- [Our World in Data](#)
- [Funding Opportunities \(defensesbirsttr.mil\)](#)



# Miscellaneous Sources

- Here are some products that you might find useful. (This is not a recommendation of any products just a listing. If you have others or favorites please let me know.)
- <https://www.trustpilot.com/>
- <https://www.owler.com/>
- <https://www.g2crowd.com/>
- <https://www.trustradius.com>
- <https://birdeye.com/>
- <https://www.reputology.com>
- <https://reputationstacker.com>
- <https://www.reputation.com>

# Content Pillars

Content pillars are the key topics or themes that your brand's content will revolve around. They provide structure to your content strategy and ensure consistency in your messaging.

## The 4 Main Types of Content



### Educational Content:

This type of content seeks to inform and educate your audience. It's designed to provide value, build trust, and position your business as an expert in its field. Examples include how-to guides, FAQs, tutorials, and industry insights.

### Inspirational Content:

This type of content aims to inspire your audience and create an emotional connection with your brand. It often includes success stories, motivational quotes, customer testimonials, and behind-the-scenes stories.

### Interactive Content:

This content engages your audience in active participation. It's designed to boost engagement and foster a sense of community around your brand. Examples include quizzes, polls, contests, user-generated content, and Q&A sessions.

### Promotional Content:

This type of content directly promotes your products or services. While it's important to not overuse this type of content (as it can come off as salesy), it's crucial for driving conversions. Examples include product spotlights, sales announcements, special offers, and case studies.



## Content Pillar Examples For A Non-Profit

- 1. Impact Stories:** Share stories that demonstrate the impact of your organization's work. This could include success stories, testimonials, or before-and-after scenarios.
- 2. Educational Content:** Educate your audience about the issue your organization is addressing. This could include statistics, research, infographics, or articles about the issue.
- 3. Volunteer Highlights:** Showcase the work of your volunteers. This could include volunteer profiles, stories of their experiences, or posts thanking them for their contributions.
- 4. Donor Spotlights:** Highlight stories from donors or fundraisers, why they support your organization, and what giving means to them. This can encourage others to donate as well.
- 5. Behind-the-Scenes:** Share what goes on behind the scenes at your organization. This could include posts about your team, the day-to-day operations, or how projects are managed.
- 6. Events and Fundraisers:** Promote upcoming events or fundraising campaigns. Share photos and updates from past events as well to show the community and excitement around your organization.
- 7. Advocacy and Activism:** Share content related to broader advocacy efforts related to your cause. This could include news updates, ways for supporters to get involved, or resources for learning more.
- 8. Community Engagement:** Highlight your organization's involvement in the local community, partnerships with other organizations, or community events.



# Focus Wins!: Lessons Learned

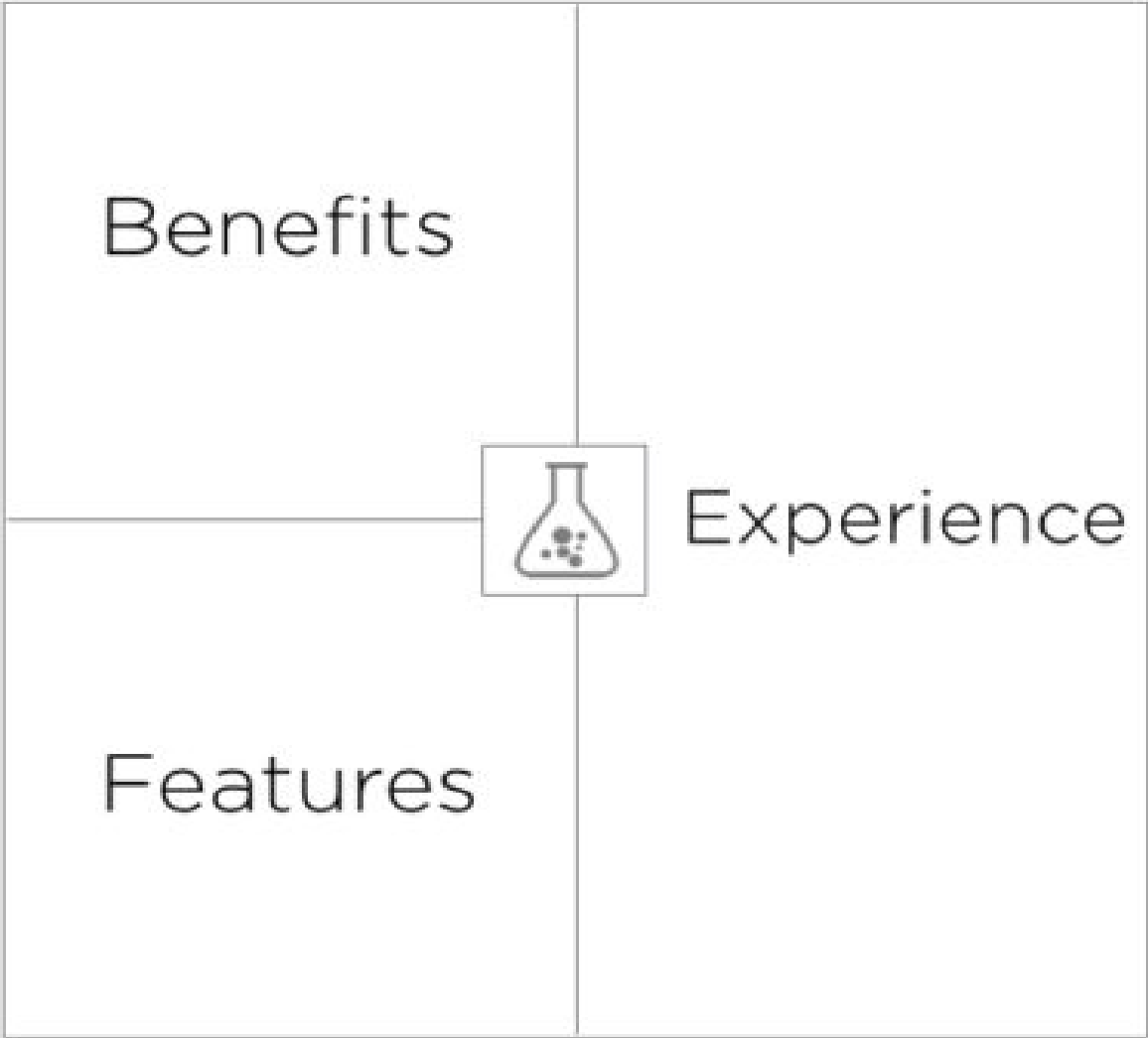
1. Understanding, “*ground-truthing*” then *reasonably estimating future local demand* (i.e. in units, engagements, customers, traffic, \$s, etc.), for the early stage (MVP) Minimal Viable Product or Service
2. Identifying with specificity, *which customer segment(s), sub segments, customers*, the *initial demand* for the *early stage, MVP* product/service offer will be coming from and how do we reach them efficiently
3. Ensuring that the *range of their initial MVP offering is not too broad ; asking, does it have multiple customer segments / personas* and therefore may be *too complex for your early stage MVP?*
4. Understanding *how, specifically*, the product/service offer is *“as good as or better than” competition*
5. *How specifically* does the *initial* MVP product/service *offering play to founders’ strength, area of specific capability, demonstrated competencies*

**> 70% of Businesses (and Start-ups) fail within 2-3 years.**



**Product / Service**

**Customer**



Company:

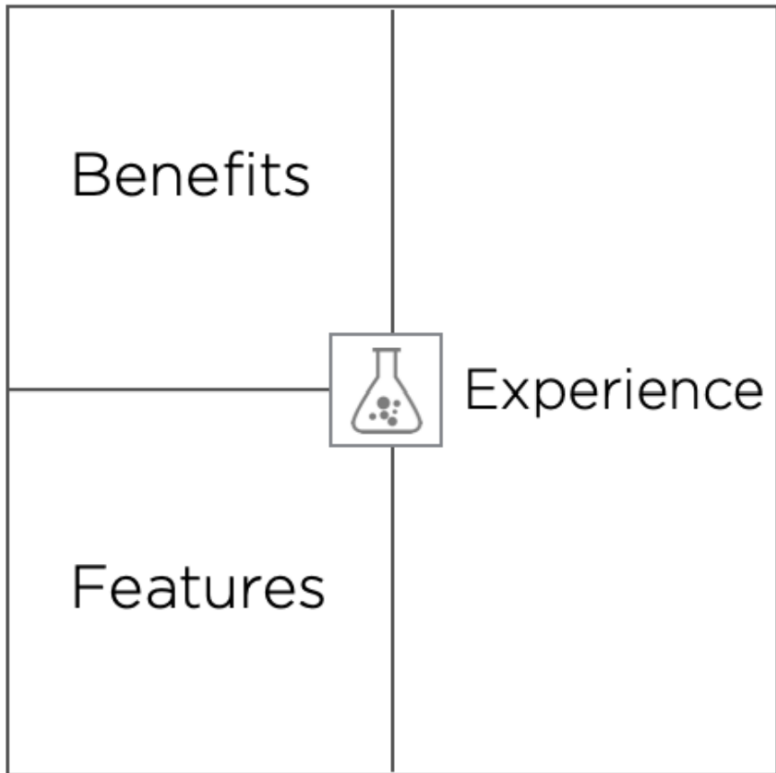
Product:

Substitutes

/Competition

# Value Proposition Canvas

## Product



Company:

Product:

Ideal customer:

## Customer



Substitutes

The Lean Startup methodology is a testament to the startup world's innovative spirit.

The beauty of lean thinking is its emphasis on value. Traditional businesses can often become mired in processes that add little to no value for the end consumer.

In stark contrast, the Lean Startup methodology prioritizes customer value above all else, urging businesses to strip away the superfluous and focus on what truly matters.

It focuses on creating products or services under conditions of extreme uncertainty. At its core lies the mantra: Build, Measure, Learn.

This iterative process emphasizes creating minimal viable products (MVPs), swift market testing, and rapid refinements based on real-world feedback.

**Source:**

[7 Key Principles for Creative Strategy Development - Intrafocus](#)