

# Refining your value proposition

- A value proposition is a clear statement of the tangible results a customer/audience member gets from experiencing your offering.
- This tool is designed to help you clarify your value proposition. You may have more than one proposition, but it is best to treat them separately. The tool provides a framework to think through what others want from what you are offering, how you might be best placed to fulfil their particular needs and what the key features of your offer should be.
- A strong value proposition is what sits at the heart of a successful business model – that is, a way of working that is financially and operationally viable. Having a strong value proposition can also help you put together a compelling ask in a fundraising campaign or application.



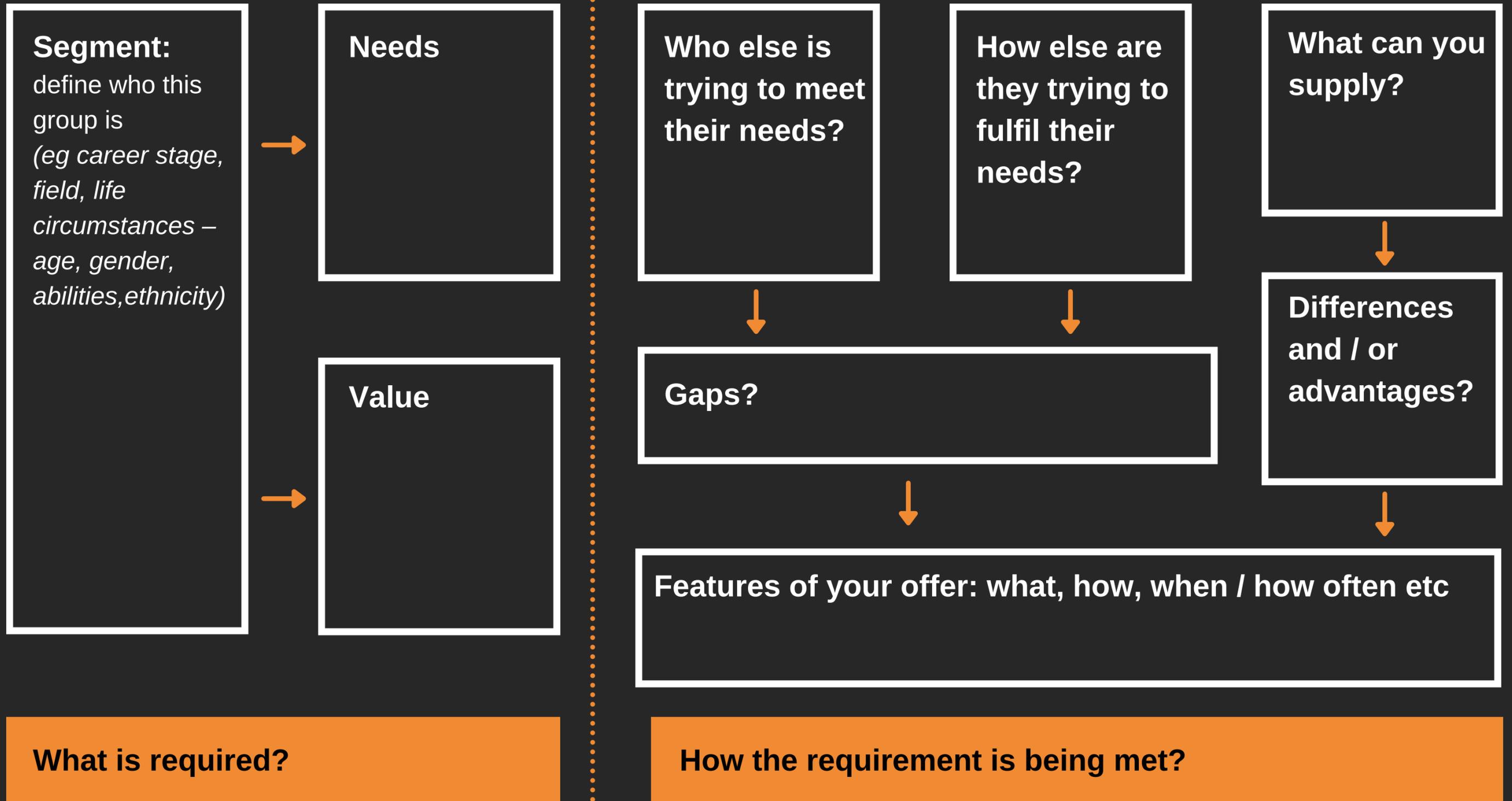
# Follow these steps to define your proposition



*It's worth doing this exercise with post-its and a large clear page (online or offline) so that you can move things around and refine as you go. You can loosely group the post-its for each stage, or organise within the template which follows.*

1. It is critical that this process starts with the people you are trying to serve, not the thing you are trying to give them. Begin by identifying the main target market or segment. This needs to be a group large enough to have some shared needs and characteristics, but not so big that it muddles up lots of diverging needs.
2. Think about what their shared needs are and what different kinds of value they might be looking for. It helps to think of value in broad terms; it can include functional value such as simplicity, convenience, as well as emotional value like fun, well-being, learning, as well as things like belonging, connection, self-esteem. (see the Elements of Value slide for more ideas)
3. Consider how else they are currently trying to meet those needs (without your offering) and who else is offering something which meets those needs, or at least in part.
4. Then list out what you offer, especially the aspects of your offer that are different to others'. Consider whether there are any gaps, or things that you could offer, to meet the needs more fully of your market.
5. Summarise the features that your offer needs to have to be something that really works for your market. This includes what it is, how often it is needed, how it is made available and so on.

# Summary of the value proposition



# Thinking prompts



# For whom are we constructing an offer?

- What are the different groups (segments) we are catering to? For example, established practitioners or early career practitioners. Which group is the biggest or seems the most important at this time?
- How big a group is it? Can we put a number or range on the size of the group. How do we know this or what data can we look at to check?
- What are the characteristics of people in this group? What might we know about the things that they have in common? It could be about age, gender, geography, interests, life concerns etc. Tip! It helps to sketch this based on individuals we know.
- What do these people need and/or say they need? (List them all, even the needs we don't expect to meet.)
- What do these individuals value? What kinds of value are they looking for – functional value (like making life easier, cheaper, more efficient) or emotional value (belonging, affirmation) for example? Tip! Thinking is more open if the focus is the value, not the activity (e.g. the value might be 'informs', the activity is 'sharing a newsletter.')

# ELEMENTS OF VALUE

• This pyramid, put together by Bain & Company, which appeared in the Harvard Business Review, contains some nice prompts.

• It was designed with a wide range of commercial businesses in mind – not necessarily the arts and culture. So it can't be thought of as complete or prescriptive, just a helpful tool.

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## The Elements of Value Pyramid

Products and services deliver fundamental elements of value that address four kinds of needs: functional, emotional, life changing, and social impact. In general, the more elements provided, the greater customers' loyalty and the higher the company's sustained revenue growth.

### SOCIAL IMPACT



Self-transcendence

### LIFE CHANGING



Provides hope



Self-actualization



Motivation



Heirloom



Affiliation/belonging

### EMOTIONAL



Reduces anxiety



Rewards me



Nostalgia



Design/aesthetics



Badge value



Wellness



Therapeutic value



Fun/entertainment



Attractiveness



Provides access

### FUNCTIONAL



Saves time



Simplifies



Makes money



Reduces risk



Organizes



Integrates



Connects



Reduces effort



Avoids hassles



Reduces cost



Quality



Variety



Sensory appeal



Informs

# What's currently on offer to these people?

- For the segment we've identified, what is already available? Who else is providing some or all of the things they need?
- How far and how well is this meeting the needs we've identified, at present?
- What else do people do to try and meet their needs? Why might this be difficult or dissatisfying?
- Where are the gaps? Why do these gaps matter to people?
- What is changing?

# What can we offer?

- What have we got that we can offer? (Or what can we access?)
- How is this similar or different to what is already available?
- What are the advantages or disadvantages to our 'users'/customers/members of our offer?
- Can we combine forces with anyone else to make our offer stronger and more relevant?