Value Proposition Conversations in Libraries

Facilitator's Toolkit 1.0

M.J. D'Elia

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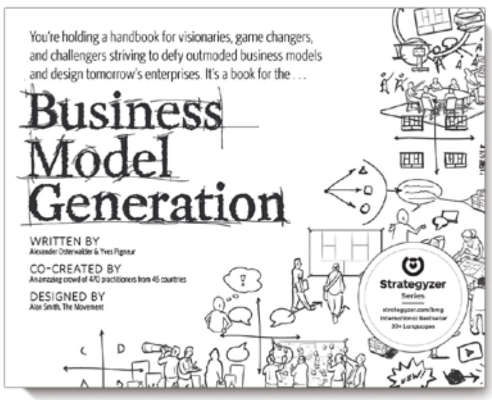
ASSOCIATION OF RESEARCH LIBRARIES

About this Toolkit

Acknowledgements

This Toolkit draws heavily from the work of Alex Osterwalder and Yves Pigneur and the rest of the authors, advisors and practitioners behind *Business Model Generation* (2010) and *Value Proposition Design* (2014). This purpose of this Toolkit is to adapt the content for use in a library context. *For best results: Use this toolkit in combination with the original resources.*



Terminology Warning

The activities in this Toolkit come from startup and management literature so they tend to focus on creating and capturing value for customers (i.e. how businesses design their operations to make money). Since libraries do not have a for-profit agenda, this terminology can create barriers for workshop participants. However, with a bit of reframing we can expand our definition of "customer" to include many different types of stakeholders who need the library. Similarly, we can expand our definition of "value" to include more than the organizations' financial bottom line.

Impetus

The 2015 ARL Liaison Institute held at Cornell University included exercises to help liaison librarians prototype and test potential value propositions. The activities challenged existing assumptions about liaison work and provided a catalyst for thinking about the future. This Toolkit has been created to help libraries facilitate similar value proposition conversations in their local contexts. The examples included in this Toolkit were borrowed from the Liaison Institute.

Contents

What is Value Proposition Design?

Value proposition design is about articulating how specific customer segments will benefit from a unique combination of products and services. At its core, it tackles the question: “Why would customers choose us?” Often the most effective value propositions can be summarized in a single sentence. Here are a few examples:

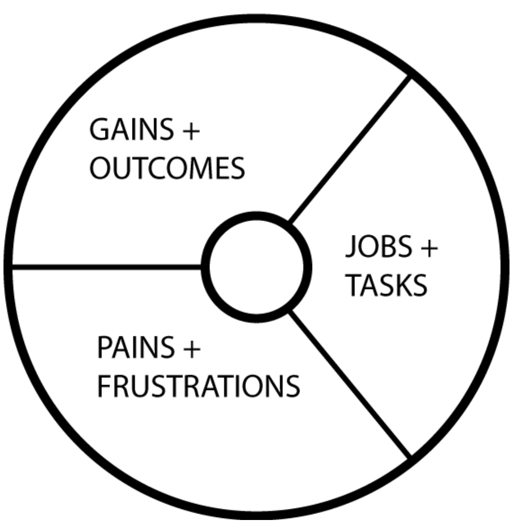
> Our publishing support services help early career faculty build their CV by identifying high impact publishing opportunities.
>
> Our course design workshops help teaching faculty fight their “impostor syndrome” by introducing them sound pedagogical practices in the classroom.
>
> Our institutional repository helps mid-career faculty amplify their scholarly impact by increasing access to their research.

Getting to these succinct statements involves five basic steps:

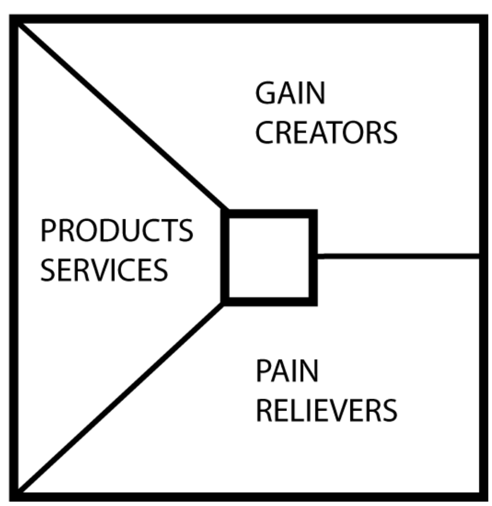
1. Choosing an appropriate customer segment
2. Understanding the needs of the customer segment
3. Describing your organization’s current (or future) products and services
4. Articulating the benefits of your products and services for the customer
5. Validating your statements with the customer segment

Value Proposition Canvas

This Toolkit outlines how to use the Customer Profile Map and the Value Map (together they are known as the Value Proposition Canvas) to prototype value proposition statements.



Customer Profile Map



Value Map

Why should I use Value Proposition Design?

Value proposition design is an exploratory process intended to discover what customers and users want and need from the organization. Value proposition conversations encourage participants to:

Start with the customer

Value proposition design begins with trying to understand the customer as a whole person. We want to understand what customers are trying to accomplish in life – not just in the library.

Acknowledge different segments

Value proposition design acknowledges that different customer segments need different combinations of products and services. Our objective is to match and deliver our services to the people who need them.

Challenge existing assumptions

Value proposition design requires us to test our assumptions about users by actually talking to them. Through an intentional process of interacting with users we learn what users expect from us.

Articulate value

Value proposition design pushes us to clearly articulate value in explicit statements. We need to craft offerings that resonate with our users – propositions need to be straightforward, free of jargon, and consistent with their desired outcomes.

Build shared purpose

Value proposition design activities build consensus and clarity of purpose among team members. When we talk to each other about what we are doing and why we are doing it we increase our shared understanding.

Prepare for change

Value proposition design invites iterative conversation. Customer segments change. Products and services change. What worked in the past may not work in the future, so we need to be prepared to meet evolving demands.

Stage One: Choosing a Customer Segment

The first step in the value proposition design process is to narrow the conversation to a specific segment of customers, users, or stakeholders. Libraries serve a number of constituencies but each constituency needs different products and services.

Customer Segments

Segmentation is the process of dividing a large group of customers (also known as a "market") into smaller, more definable groups of customers who typically share similar characteristics. Segmentation might be based on geographic, demographic, behavioral, or psychographic data (e.g. beliefs, attitudes, etc.).

Application

In academic libraries, we often segment our stakeholders into large groups (e.g. undergraduate students, graduate students, alumni, etc.), but it can be helpful to narrow our segments even further. Instead of imagining that "faculty" describes a homogenous group, we could look more closely at:

- Early-career Faculty
- Mid-career Faculty
- Senior (retiring) Faculty
- Faculty with Teaching Focus
- Faculty with Research Focus
- Faculty within a specific discipline or department
- Visiting Faculty
- New Faculty
- Experienced Faculty who are new to the institution

Tips

- Choose segments that are readily observable and accessible so you can verify your assumptions
- Move beyond broad demographic categorizations
- Members of a segment should share a common objective (or obstacle)

Additional Examples

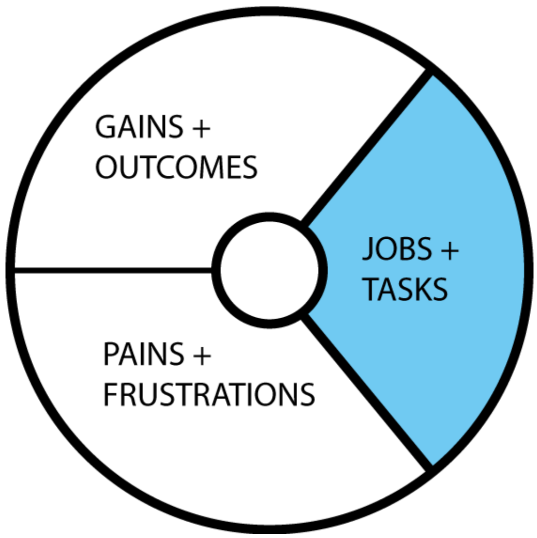
- Research groups
- International Grad Students
- Graduate Students with Teaching Assistantships
- PhD Candidates
- First Year Undergraduates
- Commuter students
- Undergraduate students by discipline (e.g. Engineering)
- Campus administrators
- Institutional partners (e.g. Campus IT, Campus Research Office)

Stage Two: Understanding your Customer

The next step is to generate a holistic picture of the customer segment using the Customer Profile Map and focusing specifically on their jobs, pains, and gains.

Jobs & Tasks

What are your customers trying to get done in work or in life?



Prompting Questions

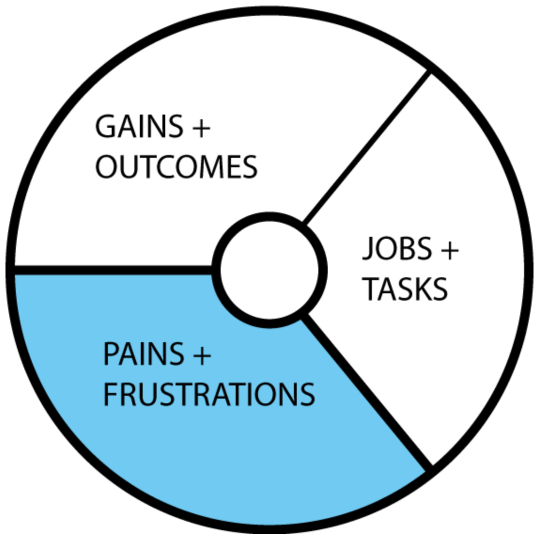
- What is the most important thing your customer needs to accomplish? What are the steps the customer needs to take to achieve this task?
- What does your customer need to accomplish that requires interaction with others?
- What functional problems are your customers trying to solve?
- Are there problems that you think customers have that they might not be aware of?

Case Study: Sample Tasks for Graduate Students

- Present research at conferences
- Apply for research funding and grants
- Apply for school or post-doc positions
- Write papers
- Teaching assistant role (lecture, facilitate, grade papers, etc.)
- Relieve stress and maintain balance
- Monitor social media
- Socialize with friends and colleagues
- Analyze data
- Meet with supervisors and advisors

Pains & Obstacles

What annoys your customers and prevents them from getting their jobs done?



Prompting Questions

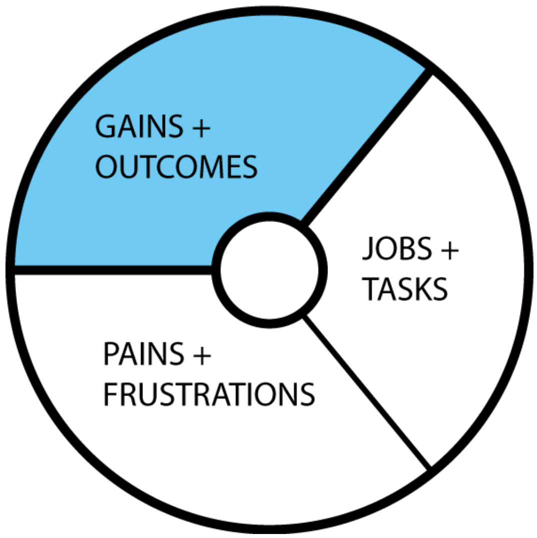
- How do your customers define too costly? What things take a lot of time, cost too much, or require substantial effort?
- What are their frustrations, annoyances and headaches?
- What are the main difficulties and challenges your customers encounter?
- What's keeping your customers awake at night? What are their big issues, concerns, and worries?

Case Study: Sample Pains for Graduate Students

- Interpersonal conflict with advisor/PI
- Wasted time (formatting and fussing with writing, organizing, re-finding)
- Not enough time
- Lack of data
- Job market prospects
- Outdated or broken technology
- Lack of study space
- Housing
- Competing priorities (family, work, etc.)
- Relationships (roommates!)

Gains & Desired Outcomes

What are the outcomes and benefits that your customers ultimately want?



Prompting Questions

- Which savings would make your customer happy? Which savings in terms of time, money and effort would they value most?
- What would make your customers' jobs or lives easier (e.g. flatter learning curve, increased productivity, reduced costs)?
- What makes them look good? What increases their power or status?
- How do your customers measure success and failure?

Case Study: Sample Gains for Graduate Students

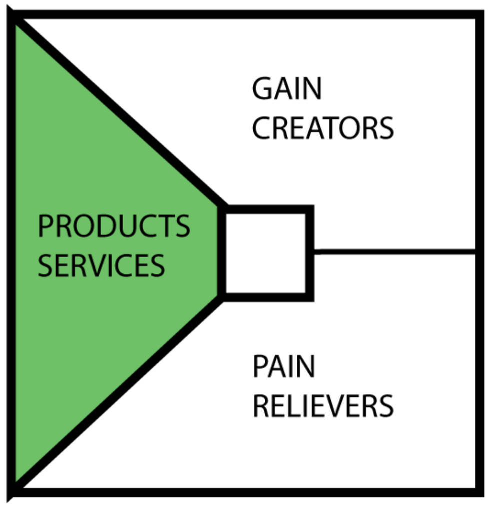
- Future earning prospects/potential
- Build knowledge, expertise and reputation
- Develop employable skills
- Receive grants
- Completing dissertation
- Scholarly self-esteem and respect from others
- Building a community of peers who share passions
- Starting/raising a family

Stage Three: Describing Products and Services

After examining the customer segment it is time to take an inventory of the products and services that are available – or could be available – from the Library.

Products/Services

What does Library currently offer that might meet customers' needs?



Prompting Questions

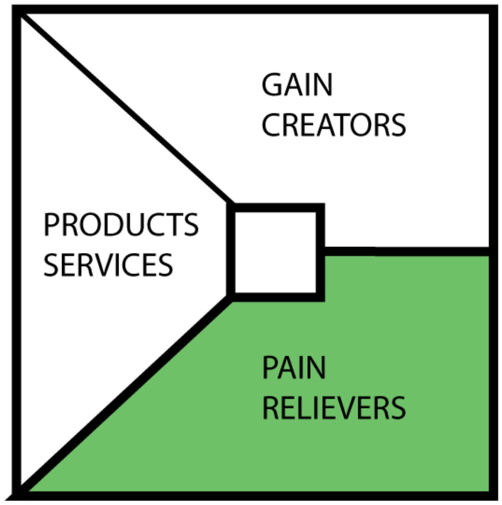
- What physical spaces or tangible products do customers need from the Library?
- What are the Library's intangible assets or less-visible services that this customer segment could benefit from?
- Which of the Library's digital resources are of interest to this customer segment?

Case Study: Sample Products + Services for Graduate Students

- GIS and other special services
- Location and salary data and negotiation support
- Research (for and with)
- Identifying publications – evaluating for submissions, etc.
- Documenting impact (for tenure and promotion)
- Institutional repository
- Financial literacy workshops
- Course/curriculum design help for graduate TAs
- Remote access to resources and services

Pain Relievers

How can the Library reduce some of the customers' frustrations and challenges?



Prompting Questions

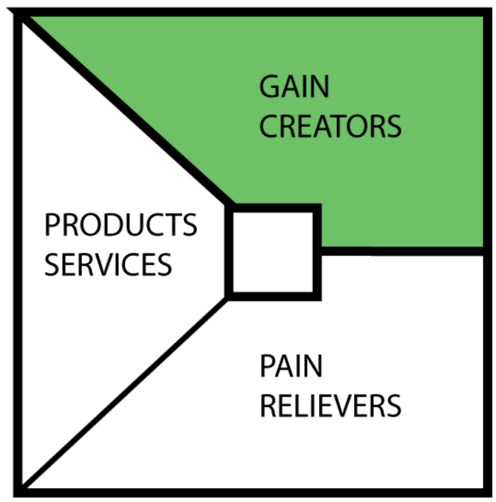
- Can the Library's products or services produce savings (time, money, effort)? How?
- Can the Library's products fix underperforming solutions? Which ones?
- Can the Library's products eliminate risks that your customers fear?
- Can the Library eliminate or eradicate common mistakes that your customers make?
- Can the Library eliminate barriers that are keeping the customer from trying Library products and services?

Case Study: Sample Pain Relievers for Graduate Students

- Citation management tools ("magic" solutions)
- Get personal support
- Making sure they meet grant requirements
- Empathetic non-judgmental help
- Workshops on finding grants and research money
- Remote access saves time – gives students more flexibility
- Course design reduces anxiety about teaching undergrad
- Providing access to expensive resources

Gain Creators

How might the Library produce outcomes and benefits that the customer expects, desires or would be surprised by?



Prompting Questions

- Can the Library's products or services produce outcomes that exceed customer expectations?
- Can the Library make customer lives easier (better usability, accessibility, more services, etc.)?
- How can the Library help members of this customer segment achieve their aspirations?
- Can the Library's products or services produce outcomes that match the customers' criteria for success and failure?

Case Study: Sample Gain Creators for Graduate Students

- Understanding what it means to be a successful grad student
- Support for enhancing communication skills
- More efficient use of time and better organization of materials
- Carrell services provide security for stuff and a quiet environment
- Access to rare and obscure resources
- Exposure of their work/resources
- Predict/anticipate problems and needs

Stage Four: Articulating Benefits

This stage is about drawing a clear connection between the customer segment's needs and the Library's offerings. The goal is to explore possible value propositions that might appeal to the customer segment. It's an exploratory stage that builds upon the Customer Profile Map and the Value Map results from the two previous stages.

Value Proposition Ad-Lib

One simple way to generate a lot of possible statements is to use the fill-in-the-blanks activity from *Value Proposition Design* (pp. 82-83). Using the sentence structure below you can more easily explore different value propositions:

> Our [*choose a product or services*] help(s) [*name your customer segment*] who want to [*itemize the task they want to do*] by __________________ and __________________.

Ad-Lib Examples

Here are a number of examples that were generated using the ad-lib activity:

> Our Open Access fund encourages mid-career faculty who want to pursue open publishing opportunities by reducing the associated publishing costs.
>
> Our institutional repository helps mid career faculty amplify their scholarly impact by increasing access to their research.
>
> Our Dissertation Boot Camp helps international graduate students complete their dissertations by providing dedicated space and expertise in a supportive environment.

Testing Value Propositions

After prototyping a number of different value propositions it can be helpful to step back to compare and contrast different statements, or – better yet – show them to members of your customer segment and ask for feedback.

Stage Five: Validating Value Propositions

Writing value propositions is a good start, but the real task is to search for the statements that "fit" with the customer segment. Do they see the same value that you do? Why or why not? A sound value proposition will progress through three different types of fit.

1. Problem-Solution Fit

At this point you have a basic understanding of the customers' jobs, pains and gains and you have drafted a series of value propositions statements addressing their problems. However, a problem-solution fit is really a set of guesses, the task is to gather data and evidence to validate that the customer segment sees value in your proposed solutions. If not, it's time to start designing a new value proposition.

Talk to Your Segment

One of the easiest ways to test your problem-solution fit is to show members of your chosen customer segment your Customer Profile Map (jobs, pains, gains). Ask them to comment on your work: Can they see themselves in your portrait? Are any of your assumptions untrue? Have you missed anything obvious?

Look for Matches

Another way to test your problem-solution fit is to do a simple matching exercise within the Value Proposition Canvas. Look at each of your pain relievers and gain creators (from your Value Map) and compare them against the customer jobs, pains and gains (from your Customer Profile Map). Mark the ideas that have a clear match with a checkmark and discard the ones that don't match up (it is impossible to satisfy every customer need). At the end of this exercise you'll know which products and services are most likely to create value for your customer segment.

2. Product-Market Fit

At this point you have some validation that the customers see the value offered by your pain relievers, gain creators, products and services. As more customers start to use your solutions more data can be compiled to test assumptions and further refine the value proposition. Landing a product-market fit is an iterative process that is necessarily tied to interacting with the customer segment.

Track Usage

Gathering usage data and monitoring trends is a good way to determine how the market or customer segment is responding to your value proposition. If customers care about your solutions the usage will increase.

Talk to the Extremes in Your Segment

Increasing usage data is a good sign, but there may be more to the story. Designing a relevant value proposition involves constantly connecting with your customer segment. In fact, at this stage it can be really helpful to look at your extreme users: members of your customer segment who use the service all the time, and members who don't see a need at all. Opinions on the margins can provide helpful insight during the prototyping process.

3. Business Model Fit

At this point you know that you are offering value that the customer segment wants, but you need to design a sustainable and scalable model to continue to deliver value. Value propositions are really focused on creating what the customer wants/needs, but to be sustainable they need to sit within a larger model that enables the organization (i.e. Library) to plan for and provide the necessary resources. Drawing up a business model is beyond the scope of this Toolkit, but it is a helpful exercise to clarify the costs associated with delivering customer value. For more information refer to the Business Model Canvas in *Business Model Generation*.

Preparation & Planning

Group work

Value Proposition conversations work best in groups of four or five people. Groups larger than five tend to have trouble reaching consensus and individuals will disengage at times during the process. Groups smaller than four can sometimes feel overwhelmed by the task in front of them.

It can be helpful to appoint a leader/facilitator for each group. The leader keeps the group on task and on time and manages all of the paper that the group generates.

Room Set up

Value Proposition workshops work best when you have a flexible meeting room with a lot of extra space. Movable tables and chairs are a must – and, ideally, the room will have lots of wall space to display work. Taping flip chart pages up around the room helps the groups stay on track and makes it easier to reference ideas throughout the process.

Materials

- Markers
- Flip chart papers
    - Pre-drawn Customer Profile Map
    - Pre-drawn Value Map
- Sticky notes
- Pens
- Extra paper or notebooks
- PowerPoint (with key questions and instructions)
- Handouts
    - Brief agenda with session objectives
    - Prompting questions for Customer Profile Map (jobs, pains, gains)
    - Prompting questions for Value Map (pain relievers, gain creators)
    - Value Proposition Ad-Lib Sentence

Tips for Setting the Context

Sometimes it can be hard for participants to immediately join an unfamiliar activity. If you're facilitating a Value Proposition conversation in your library, here are three simple pieces of advice to kick off your session:

Start with Why

Participants need to know why they are doing the activity, so start there. Why does the organization want to have this conversation? What's in it for the participants? What is expected of them? What is the end goal? Connecting the dots for participants helps them understand the context and improves clarity from the outset.

Address the Jargon

There is no escaping the "business-y" nature of this conversation – and library staff can be (understandably) suspicious of the management terminology. The goal should be to de-emphasize the jargon (e.g. customer, value proposition) and emphasize the process (e.g. designing services that people need, thinking about the library from the position of a user).

Set the Tone

The Value Proposition activities are interactive and collaborative, but a good workshop also includes time for reflection and debriefing. Sometimes it can be helpful to do a low-stakes warm-up activity so that the groups can build rapport early in the workshop.

Sample Agendas

Each value proposition workshop is unique to the local context, but the two tables below outline how you might facilitate this conversation in a half-day session or in a full-day session. It typically works best to follow the stages in the order that they are presented in this Toolkit, but the techniques used throughout the session could vary. For example, you could choose to do the closing debrief in small groups or as one large group. Similarly, you could break up the entire conversation over a series of team meetings.

Half-Day Workshop (3 hours)

Time	***Activity***	***Objective***
15 mins	Welcome + Intro	Set the context for the activity, set expectations, provide instructions
15 mins	Customer Segment	Invite groups to choose a customer segment (from a list)
45 mins	Customer profile map	Identify jobs, pains, gains
30 mins	Value map	Identify products/services, pain relievers, gain creators
15 mins	BREAK	
20 mins	Value Proposition Ad-lib	Generate multiple value proposition statements
20 mins	Gallery walk	Share promising value proposition statements
20 mins	Debrief + Wrap up	Invite comments, discuss next steps

Full-Day Workshop (7 hours)

Time	*Activity*	*Objective*
15 mins	Welcome + Intro	Set the context for the activity, set expectations, provide instructions, warm-up activity, discuss local challenges and opportunities
15 mins	Form groups	Determine how to divide people into groups
15 mins	Customer Segment	Invite groups to define their own customer segment (should be a group that they have access to, or work with frequently)
45 mins	Customer profile map	Identify jobs, pains, gains
15 mins	Pair and Share	Pair groups and give each group 5-6 minutes to share their customer profile map
15 mins	BREAK	
60 mins	Customer interviews	Show the customer profile map to customers
60 mins	LUNCH	
15 mins	Transition	Debrief morning session; transition to afternoon tasks
45 mins	Value map	Identify products/services, pain relievers, gain creators
15 mins	Pair and Share	Pair groups and give each group 5-6 minutes to share their customer profile map
15 mins	BREAK	
30 mins	Value map Ad-lib	Generate multiple value proposition statements, choose two to share with the group
30 mins	Gallery walk and Discussion	Share value proposition statements, discuss (or vote) on promising statements
30 mins	Debrief + Wrap up	Invite comments, discuss next steps

Frequently Asked Questions

Should I provide materials in advance, or expect participants to do work in advance of the session?

Most participants will not do advanced reading, so giving them work up front is often unsuccessful. Besides, most value proposition resources are full of business examples, which can be harder to translate to libraries. My advice would be to spend a little more time setting the context and explaining the objectives at the beginning of the session – participants will appreciate that more.

Should I distribute the agenda ahead of time?

It can be more helpful to send a short description of the activity instead of a detailed agenda. If you do want to distribute an agenda, provide an abbreviated version, so people get a sense of the sequence of events. Additionally, provide only the essential times (e.g. session start time, end time, break times, etc.) because it will give you more flexibility to adjust the activities based on how the groups are progressing.

Should I assign people to groups or should I let them choose their groups?

This one depends on your objectives for the session. If you're using the value proposition as a team building activity, then randomly assigning people to groups encourages them to work with new people. If you want to focus on a relevant challenge, I'd be inclined to let them choose their own groups, or to group them according to their work units/departments.

Should I assign the community segments or let them choose?

Again, that depends a little on the objectives of the session. If you have the time, it can be useful to get the team to define their customer segments during the session. This forces groups to take responsibility for their choice. If you do not have much time, then you can create a list of possible segments in advance and have the participants choose.

Can more than one group work on the same segment?

If you have a large enough session this can be really helpful. At the end of the workshop you can have the two groups share their findings to compare and contrast ideas. Since the two groups will likely diverge on some points, you can easily emphasize that there are many possibilities when it comes to value propositions.

Should we talk to members of our customer segment?

Yes, you definitely should. There is no substitute for actually sitting down to interview your customers – the insights can be incredible.

About the Author

M.J. D'Elia facilitated the 2015 ARL Liaison Institute, and regularly facilitates workshops on business models, value propositions, design thinking, and creative problem solving. An ARL Leadership Fellow in the 2016-2017 cohort, M.J. manages the Learning and Curriculum Support Team at the University of Guelph Library, and teaches an introductory course on the entrepreneurial mindset for the College of Business where students learn practices, habits, and tools used by serial entrepreneurs.

Contact

mdelia@uoguelph.ca
519-824-4120 ext. 56801
Twitter: @mjdelia

Additional Resources

For more information on the techniques in this Toolkit get yourself a copy of *Business Model Generation* and *Value Proposition Design* or visit the Strategyzer website (https://strategyzer.com)