

BOOK REVIEW

VALUE PROPOSITION DESIGN: HOW TO CREATE PRODUCTS AND SERVICES CUSTOMERS WANT

Osterwalder, A., Pigneur, Y., Bernarda, G., Smith, A., Papadakos, T.: Value Proposition Design: How to Create Products and Services Customers Want. Wiley, 2014. 320 pages. SBN: 978-1-118-96805-5.

Value Proposition Design by Alex Osterwalder *et al* dives deeper into two elements of the Business Model Canvas that formed the basis of his book *Business Model Generator*. These two elements are Value Propositions and Customer Segments. “*The heart of Value Proposition Design is about applying Tools to the messy Search for value propositions that customers want and then keeping them aligned with what customers want in Post Search.*”

The book is accompanied by online resources: posters, templates and checklists however these are mainly a repeat of what is in the book and indeed some of them are not as yet available.

Having waited with almost bated breath for this book to be published my heart sank when I saw the garish, and in my view, pointless pictures that make it look more like a child's storybook; the overly detailed diagrams that infuriate rather than inform; a text that in too many places is extremely facile; examples that include a trip to the cinema rather than one from the business world. In fact had I not offered to write this review I would have relegated it, unread, to a dark corner of a bookshelf. And that would have been a shame because it does contain some useful material on how to gather information about customers; identify competitors; develop and test value propositions albeit material that is neither rocket science nor innovative since it draws on concepts from, *inter alia*, the Business Model Generator and the Lean Start-up and proposes using established techniques such as de Bono's Thinking Hats.

Business owners and start-ups should know that understanding their customers is crucial but all too often they do not so I was pleased that Value Proposition Design places great emphasis on the need for a business

to understand its customers and provide products and services that relieve their pain points whilst enabling the business to create a sustainable and scaleable business model. The section on competitors moves away from the classic method of identifying competitors to look at how they remove pain points and create gains for customers. This is something I've been advocating for a long time but business owners persist in thinking of competitors as those companies producing the same products and services. The section on questions to assess business models were also of value – these are the things that people should think about but invariably skip over some or all of them. But.. I seriously question whether people in large businesses would find the presentation of the material conducive to using it and whether business start-ups would derive sufficient knowledge from the skimpy text to be able to successfully make use of it.

Value Proposition Design has the potential for being an invaluable handbook for the business owner or even for someone seeking to start a business but it needs to be pared down, stripped of the garish, distracting graphics that do not aid understanding and include examples that are relevant to business owners and provide much more substance.

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