

Lean Canvas & Value Proposition Canvas

Dr. Mike Muin

Running Lean (the book)

- **Overview**

- Running Lean, written by Ash Maurya, is a systematic process for iterating from Plan A to a plan that works, before running out of resources.
- The methodology combines Lean Startup, Customer Development, and Bootstrapping concepts into a framework specifically designed for product development.

- **Core Philosophy**

1. The need for a systematic process to test a "Plan A"
2. The importance of customer-focused, rapid iteration
3. The practice of measuring progress through specific, actionable metrics

Running Lean

- **The Running Lean Process**

1. Document your Plan A
2. Identify the riskiest parts of your plan
3. Systematically test your plan
4. Iterate and optimize based on learning

Key Points

- **1. Lean Canvas**

- A 1-page business plan template adapted from Business Model Canvas
- Focuses on problems, key metrics, and competitive advantages
- Designed to be fast, concise, and portable
- Emphasizes customer-problem focus over solution focus

- **2. Problem-Solution Fit**

- Verify that customers have the problems you assume
- Ensure these problems are worth solving
- Validate that customers will pay for your solution
- Confirm you can build a solution for the problem

Key Points

- **3. The Interview Process**

- Problem Interview: Understand customer problems
- Solution Interview: Test solution concepts
- Validation Interview: Verify pricing and business model
- Focus on learning rather than selling
- Document and measure interview results

- **4. Minimum Viable Product (MVP)**

- Smallest thing you can build to learn
- Focus on core value proposition
- Must be sufficient to demonstrate customer value
- Should be built only after problem validation

Key Points

- **5. Metrics That Matter**

- Acquisition: How do users find you?
- Activation: Do users have a good first experience?
- Retention: Do users come back?
- Revenue: Can you monetize users?
- Referral: Do users tell others?

Lean Canvas

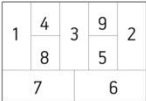
- **Purpose**

- Provides a 1-page business plan format
- Emphasizes problem-solution fit
- Focuses on risk mitigation
- Designed for uncertainty and rapid iteration
- Facilitates hypothesis testing and validation

- **Core Philosophy**

- The Lean Canvas embodies the principle of "failing fast" and learning quickly. It's built on the premise that most initial business assumptions are wrong and need systematic testing and iteration.

<div>PROBLEM</div> <div>List your top 1-3 problems.</div>	<div>SOLUTION</div> <div>Outline a possible solution for each problem.</div>	<div>UNIQUE VALUE PROPOSITION</div> <div>Single, clear, compelling message that states why you are different and worth paying attention.</div>	<div>UNFAIR ADVANTAGE</div> <div>Something that cannot easily be bought or copied.</div>	<div>CUSTOMER SEGMENTS</div> <div>List your target customers and users.</div>
	<div>KEY METRICS</div> <div>List the key numbers that tell you how your business is doing.</div>		<div>CHANNELS</div> <div>List your path to customers (inbound or outbound).</div>	
<div>EXISTING ALTERNATIVES</div> <div>List how these problems are solved today.</div>		<div>HIGH-LEVEL CONCEPT</div> <div>List your X for Y analogy e.g. YouTube = Flickr for videos.</div>		<div>EARLY ADOPTERS</div> <div>List the characteristics of your ideal customers.</div>
<div>COST STRUCTURE</div> <div>List your fixed and variable costs.</div>			<div>REVENUE STREAMS</div> <div>List your sources of revenue.</div>	



CANVAS FILL ORDER



RISK ITERATION PATH

- PRODUCT RISK
- CUSTOMER RISK
- MARKET RISK

Lean Canvas

Created by Spark59 // Online version available at www.leancanvas.com

Lean Canvas is adapted from The Business Model Canvas (www.businessmodelgeneration.com) and is licensed under the Creative Commons Attribution-Share Alike 3.0 Unported License.

Lean Canvas vs. Business Model Canvas

- **Lean Canvas:**

- Problem-centric approach
- Focus on uncertainty and risk
- Emphasis on testing assumptions
- Metrics-driven validation
- Competitive advantage emphasis

- **Business Model Canvas:**

- Solution-centric approach
- Focus on execution
- Emphasis on comprehensive planning
- Resource and partnership focused
- Value proposition emphasis

Lean Canvas vs. Business Model Canvas

Business Model Canvas	Lean Canvas	Reasoning for Change
Key Partners	Problem	Startups need to focus on problem validation first
Key Activities	Solution	Simplified to focus on essential solutions
Key Resources	Key Metrics	Emphasis on measuring progress
Value Propositions	Unique Value Proposition	More specific focus on competitive differentiation
Customer Relationships	Unfair Advantage	Focus on sustainable competitive advantage

Lean Canvas vs. Business Model Canvas

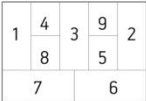
- **Use Lean Canvas When:**

- Starting a new venture
- High uncertainty exists
- Need for rapid iteration
- Limited resources available
- Testing new market opportunities

- **Use Business Model Canvas When:**

- Established business
- Clear market understanding
- Focus on optimization
- Multiple stakeholder coordination
- Complex partnership networks

<div>PROBLEM</div> <div>List your top 1-3 problems.</div>	<div>SOLUTION</div> <div>Outline a possible solution for each problem.</div>	<div>UNIQUE VALUE PROPOSITION</div> <div>Single, clear, compelling message that states why you are different and worth paying attention.</div>	<div>UNFAIR ADVANTAGE</div> <div>Something that cannot easily be bought or copied.</div>	<div>CUSTOMER SEGMENTS</div> <div>List your target customers and users.</div>
	<div>KEY METRICS</div> <div>List the key numbers that tell you how your business is doing.</div>		<div>CHANNELS</div> <div>List your path to customers (inbound or outbound).</div>	
<div>EXISTING ALTERNATIVES</div> <div>List how these problems are solved today.</div>		<div>HIGH-LEVEL CONCEPT</div> <div>List your X for Y analogy e.g. YouTube = Flickr for videos.</div>		<div>EARLY ADOPTERS</div> <div>List the characteristics of your ideal customers.</div>
<div>COST STRUCTURE</div> <div>List your fixed and variable costs.</div>			<div>REVENUE STREAMS</div> <div>List your sources of revenue.</div>	



CANVAS FILL ORDER



RISK ITERATION PATH

- PRODUCT RISK
- CUSTOMER RISK
- MARKET RISK

Lean Canvas

Created by Spark59 // Online version available at www.leancanvas.com

Lean Canvas is adapted from The Business Model Canvas (www.businessmodelgeneration.com) and is licensed under the Creative Commons Attribution-Share Alike 3.0 Unported License.

Customer Development Process

- **Problem/Solution Fit**

- Verify the problem exists
- Validate with stakeholders
- Understand current solutions

- **Scale**

- Optimize solution
- Expand market reach
- Build sustainable business

- **Product/Market Fit**

- Build minimum viable product
- Test with early adopters
- Gather meaningful metrics

The Experiment Loop

- **Formulate Hypothesis**

- Clear, testable statements
- Measurable outcomes
- Healthcare-specific metrics

- **Design Experiment**

- Minimal viable test
- Clear success criteria
- Compliance considerations

- **Run Experiment**

- Collect data
- Monitor progress
- Document findings

- **Learn and Iterate**

- Analyze results
- Update assumptions
- Plan next steps

Common Pitfalls in Health IT

- **Solution-First Approach**

- Building without validation
- Ignoring user needs
- Overlooking workflows

- **Regulatory Blindness**

- Ignoring compliance early
- Underestimating requirements
- Poor documentation

- **Stakeholder Misalignment**

- Not identifying all users
- Ignoring power dynamics
- Poor value proposition

Success Metrics in Health IT

- **Activation**

- User registration
- Initial usage
- Training completion

- **Retention**

- Continued usage
- Feature adoption
- User satisfaction

- **Revenue**

- Customer acquisition cost
- Lifetime value
- Revenue per user

- **Referral**

- Net promoter score
- User recommendations
- Market expansion

PROBLEM

List your top 1-3 problems.

CUSTOMER SEGMENTS

List your target customers and users.

How will you cause a switch?

- List problems worth solving **with existing alternatives**.
- New problems come from old solutions.

What do your early adopters current use to get the job done?

- List existing alternatives
- **Transcend category**

Who is the customer?

- **Keep this simple**
- Use simple labels like entrepreneur

How will you qualify/identify early adopters?

- What has changed?
- List one or more **switching triggering events**.

4

1

EXISTING ALTERNATIVES

List how these problems are solved today.

EARLY ADOPTERS

List the characteristics of your ideal customers.

3

2

LEAN(ER) CANVAS

Value Proposition Canvas

- **Origin and Background**

- The Value Proposition Canvas (VPC) was developed by Alexander Osterwalder and his team in 2012 as a supplement to the Business Model Canvas.
- It was created to help organizations better understand the relationship between customer needs and their proposed solutions.
- The tool was first introduced in the book "Value Proposition Design" and has since become a fundamental framework in business model development.

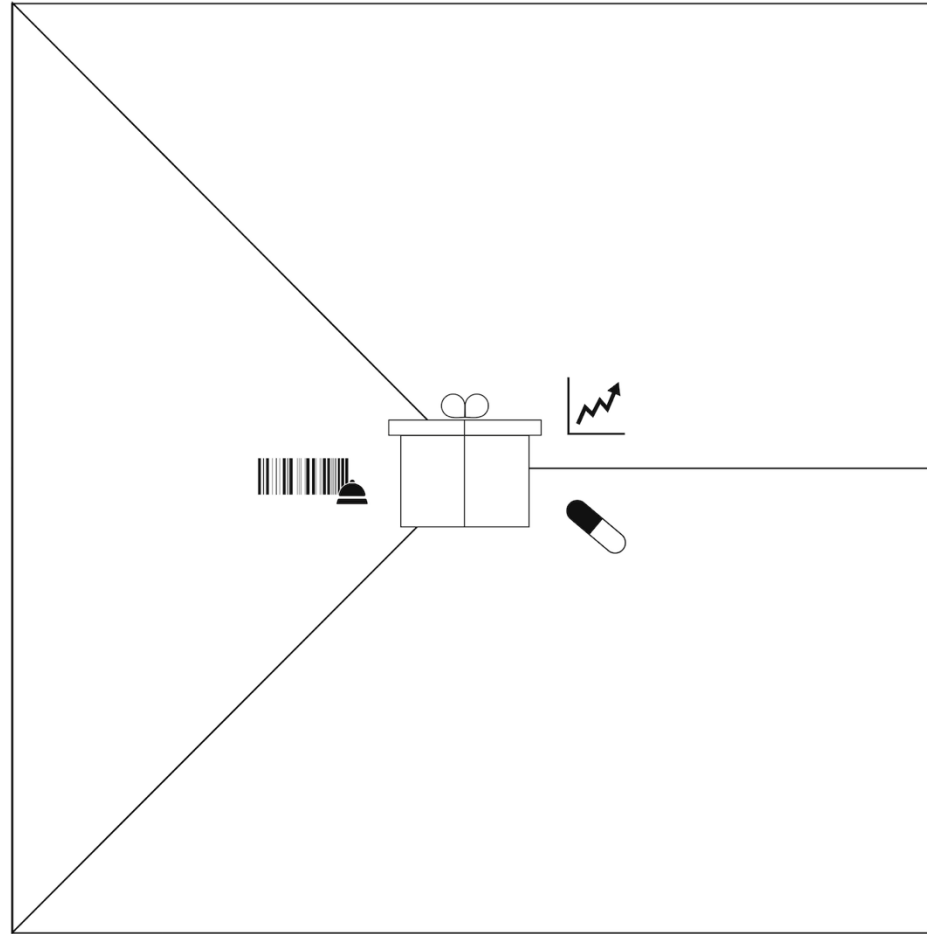
Value Proposition Canvas

- **The VPC is designed to help organizations:**
 - Deeply understand their customers' needs, desires, and challenges
 - Design products and services that precisely match these needs
 - Create and validate value propositions before committing resources
 - Achieve product-market fit through iterative improvement

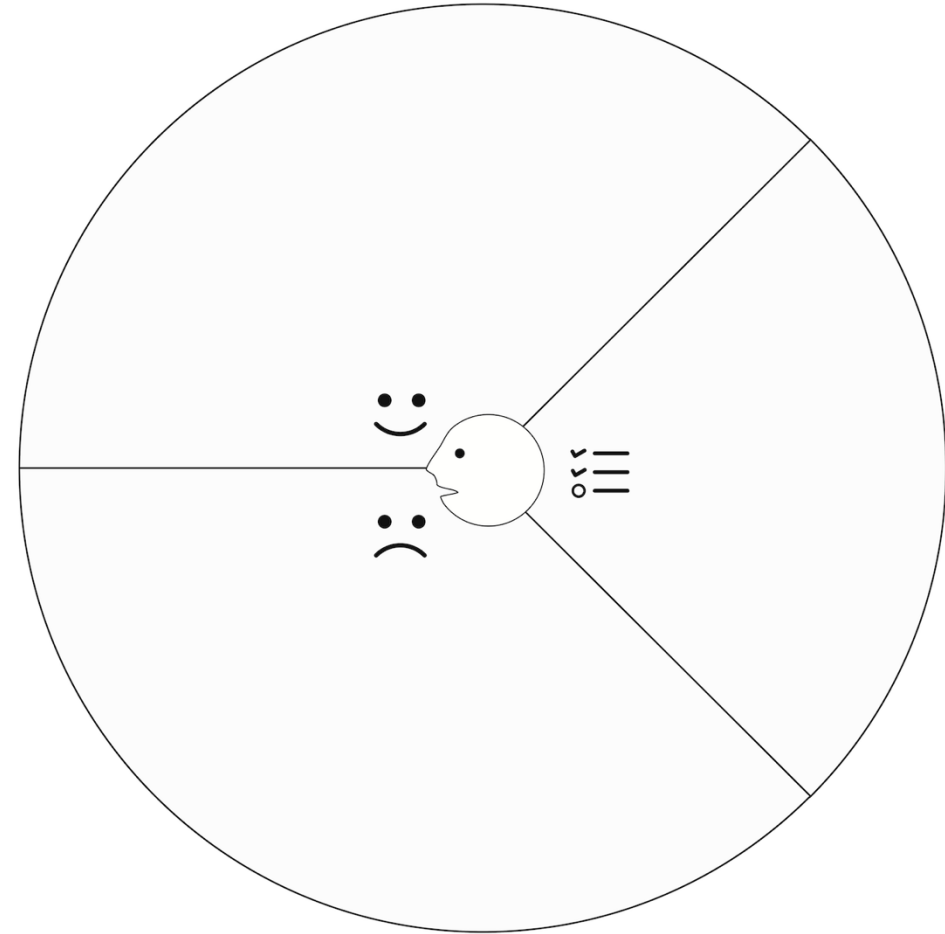
PROJECT:

CUSTOMER PROFILE:

DATE:



VALUE MAP

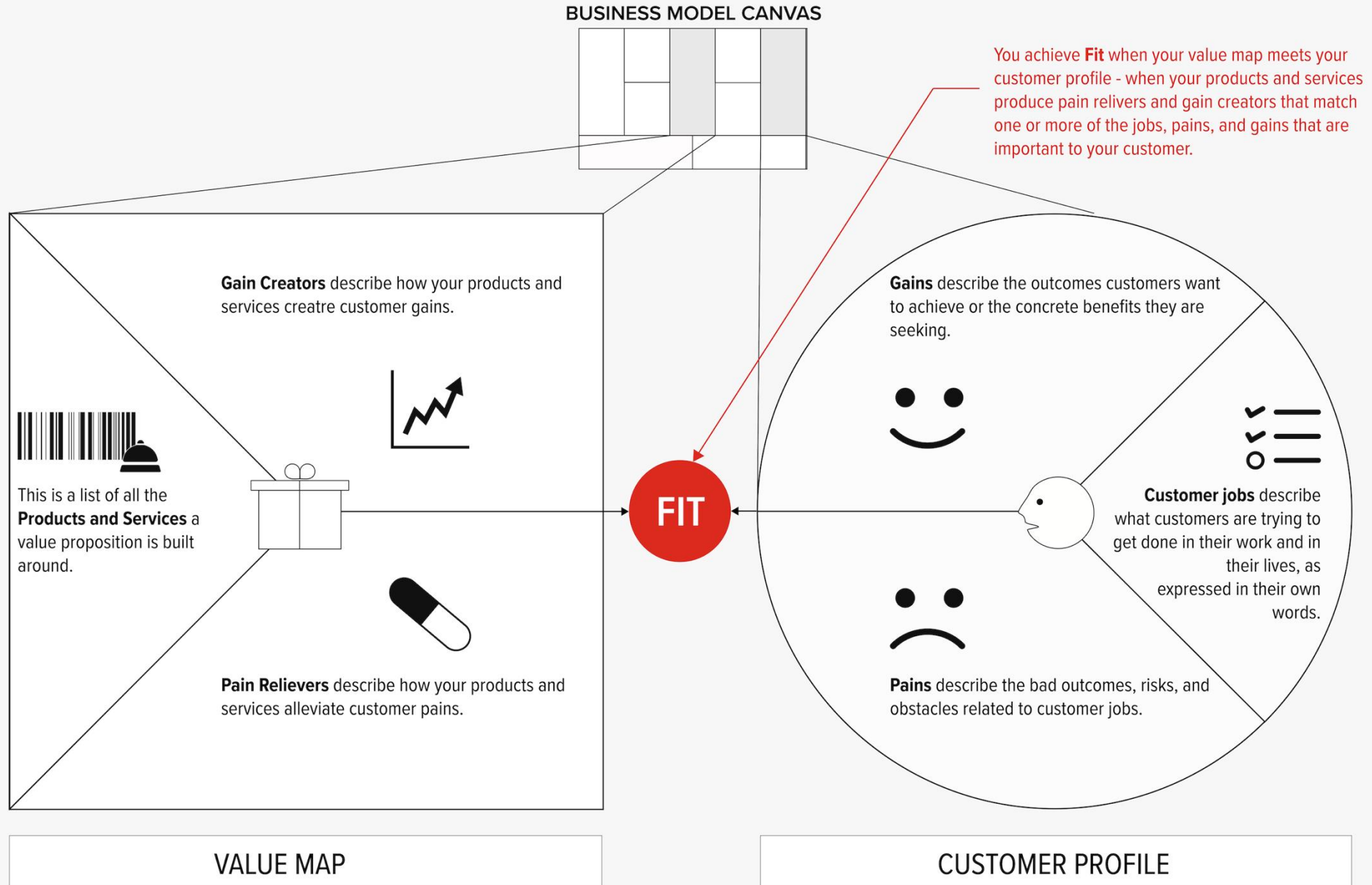


CUSTOMER PROFILE

NOTES:

THE VALUE PROPOSITION CANVAS

How To Use The Value Proposition Canvas - garyfox.co



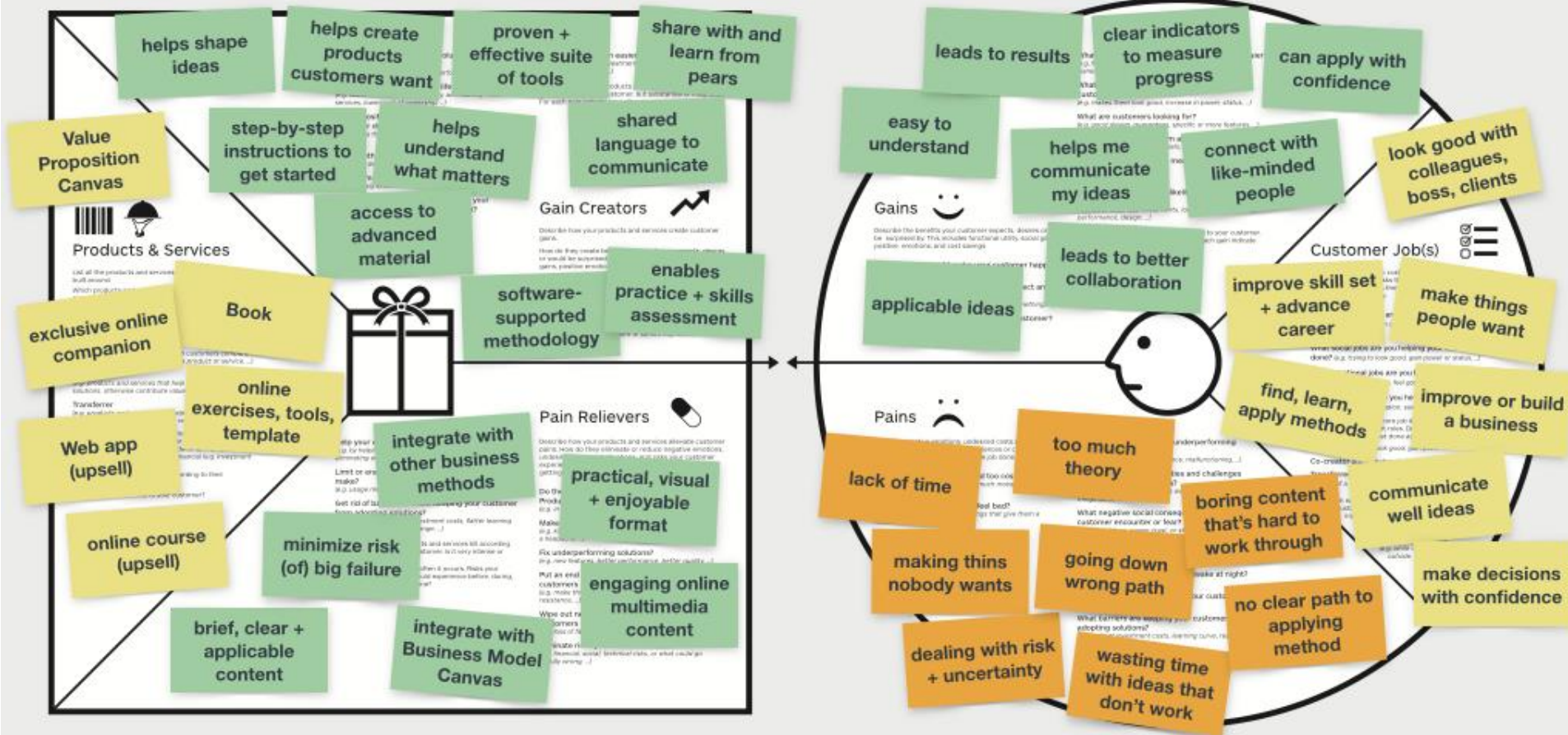
The Value Proposition Canvas

Value Proposition

Value Proposition Design Methodology (Book, p. 44-45)

Customer Segment

Business Book Reader (generic)



Relationship to Other Canvas Frameworks

- **Connection to Business Model Canvas**

- The VPC zooms in on two crucial blocks of the Business Model Canvas:
 - Value Propositions
 - Customer Segments
- It provides a detailed framework for ensuring these two elements align perfectly
- Serves as a plug-in tool that can enhance the overall business model design

- **Comparison with Lean Canvas**

- While Lean Canvas focuses on problem-solution fit for startups
- VPC focuses on product-market fit for any organization
- Key differences:
 - Lean Canvas: Emphasizes startup uncertainties and rapid validation
 - VPC: Emphasizes deep customer understanding and value creation
 - Lean Canvas: More focused on overall business viability
 - VPC: More focused on customer-solution fit

Relationship to Other Canvas Frameworks

- **Complementary Use**

- Can be used alongside both frameworks
- VPC provides deeper customer insights
- Helps validate assumptions in both Business Model and Lean Canvas
- Supports iterative improvement of value propositions

**Life's too short to build
something nobody wants.**

- Ash Maurya