

# VALUE PROPOSITION

Defining The Benefits of Your Invention **BY JOHN G. RAU**

**D**o you know your invention's value proposition? Simply put, a value proposition defines the benefits end users will gain from your invention. You will need to articulate these qualities in detail before you present your idea to potential investors or licensing candidates.

Your invention's value proposition must be formulated on the basis of several considerations:

- What does your invention offer in terms of product or service?
- For what market (or markets) is your invention created?
- What benefits will the market derive from your new product or service, and which does it value most?
- What makes your invention different from others on the market?
- What proof or evidence is there to substantiate your claims?

## Value Proposition: 7 Easy Steps

Cindy Barnes and Helen Blake of the UK-based company Futurecurve offer a step-by-step process to help develop an invention's value proposition in the white paper "Harnessing Your Customer Truth: From Value Propositions to Sales Propositions."

**Step 1:** Define the market. What is your specific target group?

- Are the customers' unmet needs and problems well-defined and recognized?
- What kind of problem(s) does your new invention solve for them?
- Is this an important problem for this customer group?
- Does your new product or service address a large and growing market?

**Step 2:** Describe the value experience. What are the benefits minus the costs as perceived by your customer set?

- How does your invention solve customers' problems or improve their situation?
- How will your proposed solution work in the customers' hands and what benefits will it generate?

**Step 3:** Define the new product or service and analyze the value it brings to your targeted customer group. Describe your competition and how they solve the problems you are addressing for this customer set.

**Step 4:** Describe the benefits to be derived by these customers as the result of using your invention. Good examples of potential benefits to consider are suggested in *10 Value Proposition Examples* on the website [plantostart.com](http://plantostart.com):

- **Newness:** You have a technology or service idea that is unique and has never been seen before.
- **Performance:** Your product or service offers improved performance (faster, bigger, more efficient, etc.) over competing ideas.

- **Customization:** Your product or service is more flexible than the existing competition's product and can be designed for a specific customer's needs.
- **Getting the job done:** Your product or service enhances a customer's productivity.
- **Superior design or usability:** Your target market enjoys optimal design and convenience features.
- **Price:** Your product can be manufactured with adequate margins and offered at a retail price customers are willing to pay.
- **Reducing costs:** Your product or service can result in reduced costs for the targeted customer group.
- **Reducing risk:** Your new product has the potential of improving safety.

**Step 5:** Describe how your invention is different from and/or better than the alternatives. What is unique about your method of solving customer problems and why are you better than the competition in solving these problems? This is where you need to focus on "unique differentiation," specifying why the target market should buy from you rather than the competition.

**Step 6:** Provide documented and substantiated proof that your product or idea works, backed by clear examples, including diagrams, schematics, prototypes, pictures or test results, as applicable.

**Step 7:** If you have trouble formulating your value proposition, ask yourself the following questions:

- Is the problem you are solving validated by a measurable fact?
- Can you identify the customers in your target group who have the problem(s) you are trying to address with your invention?
- Does your new product or service offer advantages that would benefit your customers?
- Have you developed a convincing story as to why this customer group would buy from you rather than from the competition?
- Does your invention offer significantly more benefits than costs to your customers?
- Have you presented a clear message as to what matters to your customers and the value you can bring to them with your new invention?

Remember, in order to be successful, your value proposition must capture the unique qualities of your invention and address why customers will choose your product over others in the market place. ☐

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