

„The hard part is finding a problem to solve“
[Kevin Systrom from Instagram]

13. Instruments for Deep Pain-Gain Analysis (Improved Value Proposition Design)

Prof. Dr. Uwe Aßmann
Softwaretechnologie
Fakultät Informatik
Technische Universität Dresden
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<http://st.inf.tu-dresden.de/teaching/saab>

- 1) Value Proposition Analysis
- 2) Pain Analysis
- 3) Gain Analysis
- 4) Pain-Gain Banana
- 5) Stickiness and Virality

Obligatory Literature

- ▶ A. Osterwalder, Y. Pigneur et al. Value Proposition Design. Wiley.
- ▶ [BlankDorf] Steve Blank, Bob Dorf, Nils Högsdal, Daniel Bartel. Das Handbuch für Startups – die deutsche Ausgabe von 'The Startup Owner's Manual'. Deutsche Übersetzung von Kathrin Lichtenberg. 2014. O'Reilly.
 - <http://www.daniel-bartel.de/das-handbuch-fuumlr-startups.html>
- ▶ <https://blog.strategyzer.com/posts/2014/10/13/10-characteristics-of-great-value-propositions>
- ▶ <https://blog.strategyzer.com/posts/2014/9/16/why-every-company-needs-a-chief-corporate-entrepreneur>

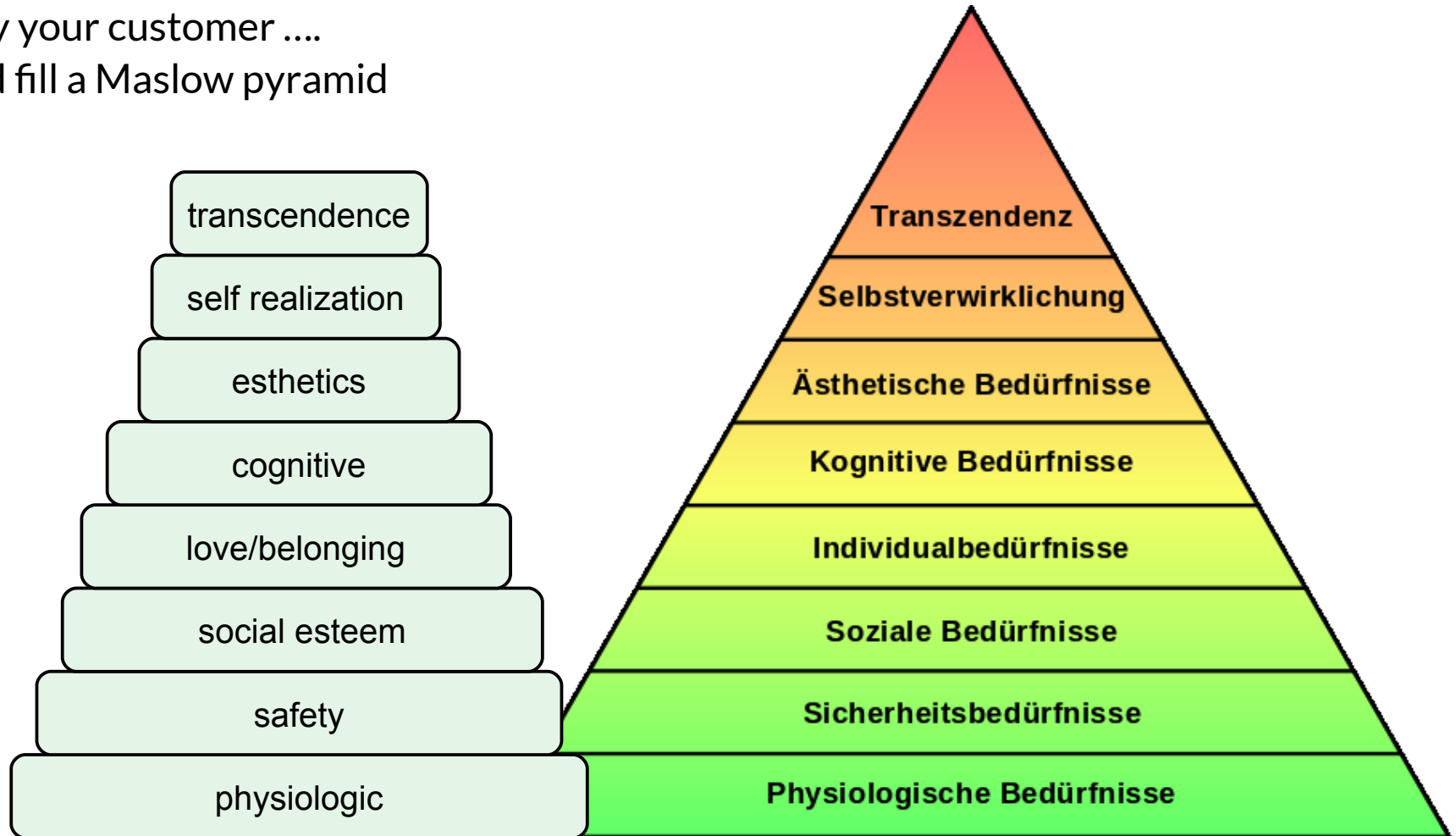


13.1 Deep Pain Analysis with Different Types of Pains

- .. diving into the VPC

Customer Analysis with Maslow

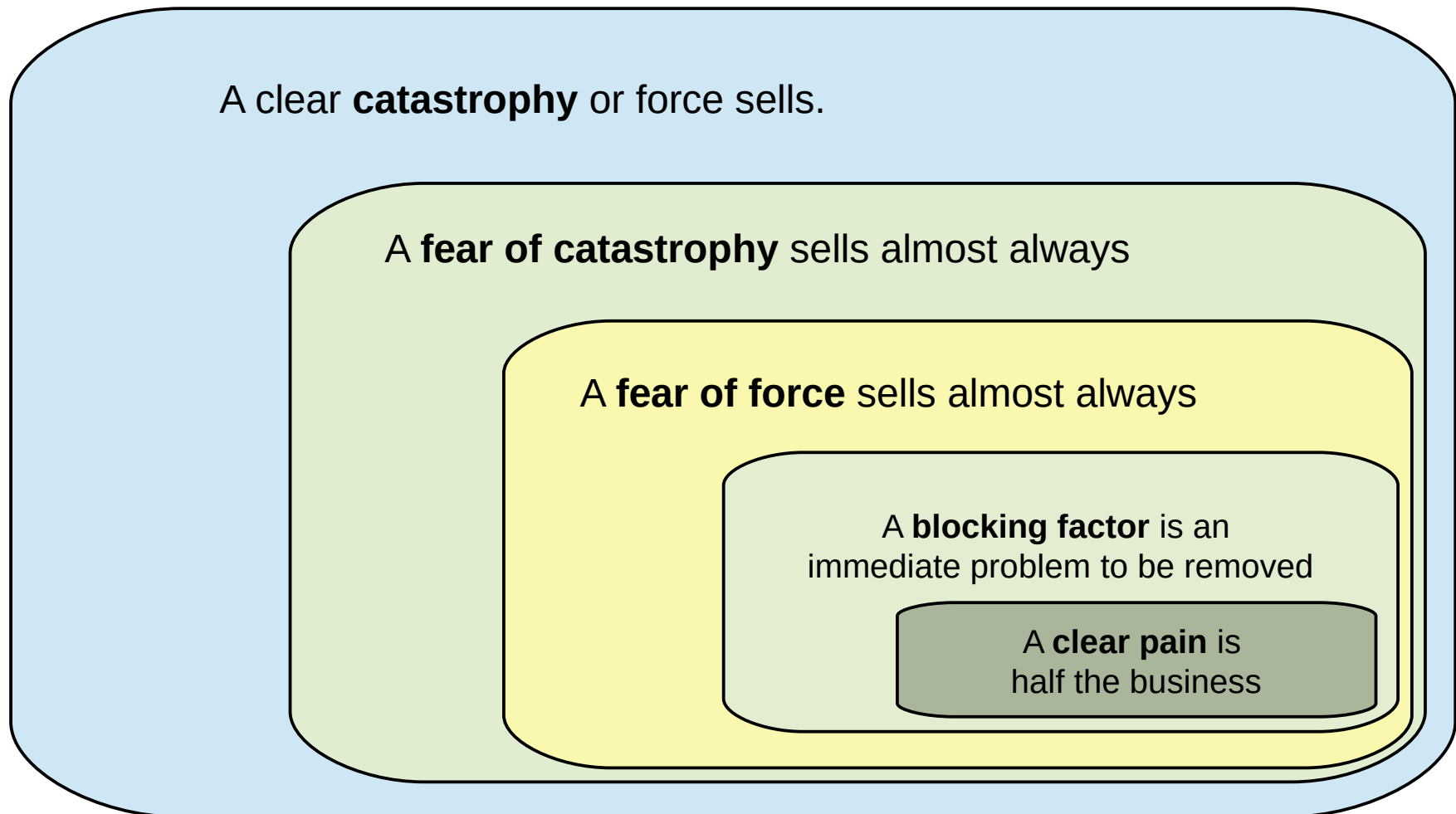
- ▶ Play your customer
and fill a Maslow pyramid



http://upload.wikimedia.org/wikipedia/commons/thumb/2/2c/Erweiterte_Bed%C3%BCrfnishierarchie_%281970%29_nach_Maslow.svg/600px-Erweiterte_Bed%C3%BCrfnishierarchie_%281970%29_nach_Maslow.svg.png

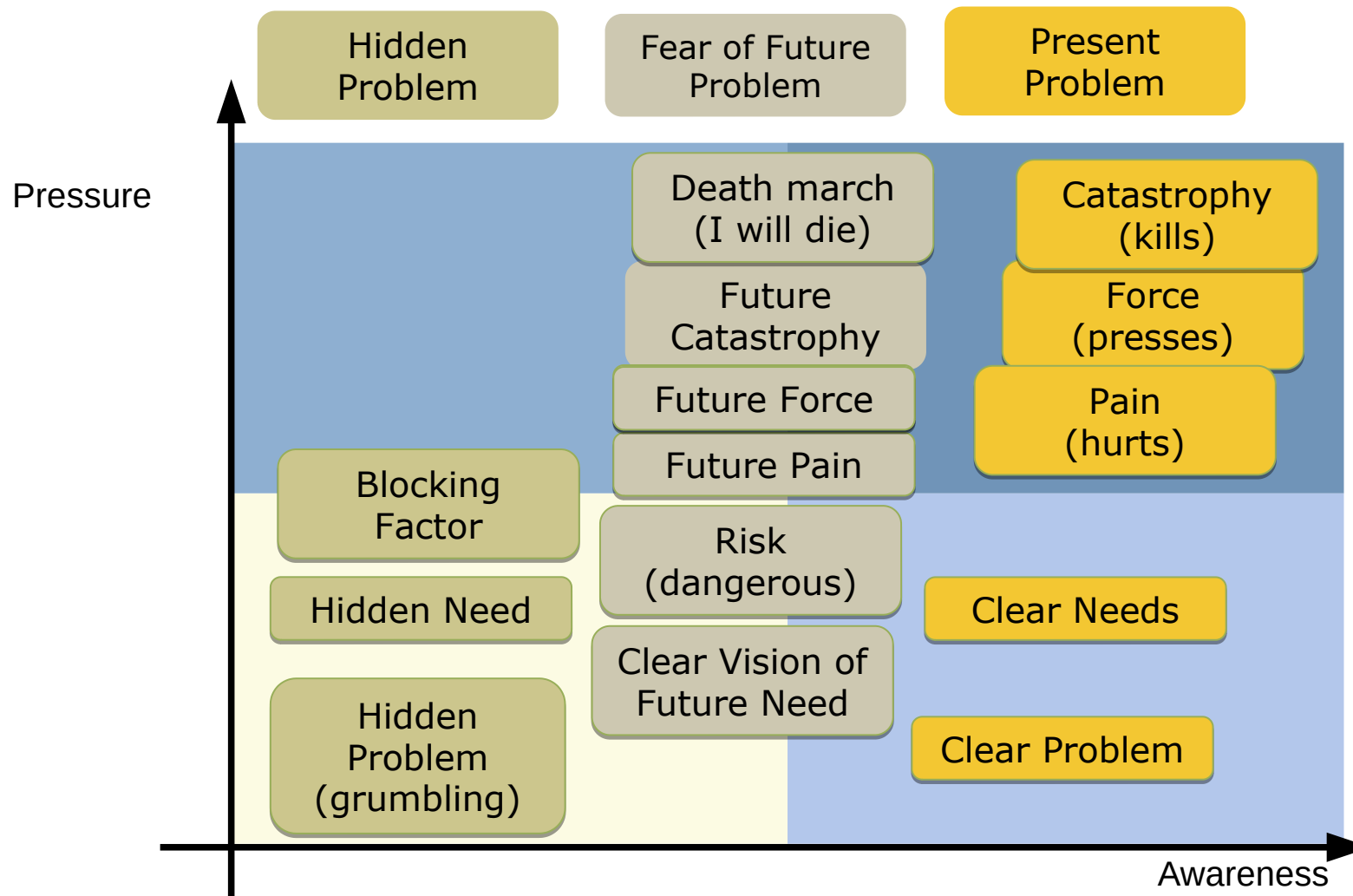
The Pain Hierarchy: Pain Drives Selling and Buying

- ▶ For business, find a good pain.



Pain analysis in the Pressure/Awareness-Product (Pain Portfolio)

- ▶ **Pressure** and **awareness** are two important factors influencing customer decisions. Their product determines decisions
- ▶ Problems with high pressure and awareness **MUST** be solved and lead to buy decisions



Examples of Future Force

- ▶ New country-wide governance rules
 - New finance rules of tax authorities
 - Laws (e.g., the EU law on dynamite)
 - New taxes, raise of taxes
- ▶ New social governance rules
 - Gender equality issues
 - Quotas
- ▶ Health problems: Age, illness, Alzheimer, heart attack
- ▶ Future Force of Competition Change
 - New competitors and competing products
 - USP and UCA gets lost
 - New business models of competitors

How to Achieve Disruptive Innovations (Game Changers)

- ▶ A **Blocking factor** is a (hidden) problem directly hindering that the goal of the customer is reached
- ▶ A **Blocking factor remover** (block remover, overcomer) is a special kind of pain killer, applicable to different types of innovations
 - It enables a discontinuous revolutionary, radical innovation (*enabler* for a discontinuous innovation)
 - A *discontinuity enabler (blocking factor changer)* is a pain killer removing a blocking factor that leads to a change in a market
 - A *disruption enabler (game changer)*: It may even enable a disruptive innovation
- ▶ An innovative company should work on **blocking factor removers and game changers**
- ▶ Questions for Game Changers:
 - What blocks the radical innovation?
 - What blocks the disruptive innovation?

Pain Analysis and Pain Priority List

- ▶ The **pain priority list** is an extension of the problem/pain diary with the list of pains *prioritized by pressure-awareness product from the pain portfolio*
- ▶ Produce with G-A-P analysis: **Generate** pains, **Assess** them, **Prioritize** them

Problem	Pressure	Awareness	Pain Priority
tooth pain	10	10	100
tooth inflammation	10	5	50
tooth hole	3	8	24
weak tooth health inherited	1	1-5	1-5
ignorance of health measures	1	1	1
forgetting to brush teeth	1	4	4
eating too much sugar	1	3	3



Exc.: Classify: is it a Problem, Need, Pain, Catastrophy? Determine Pain Priority

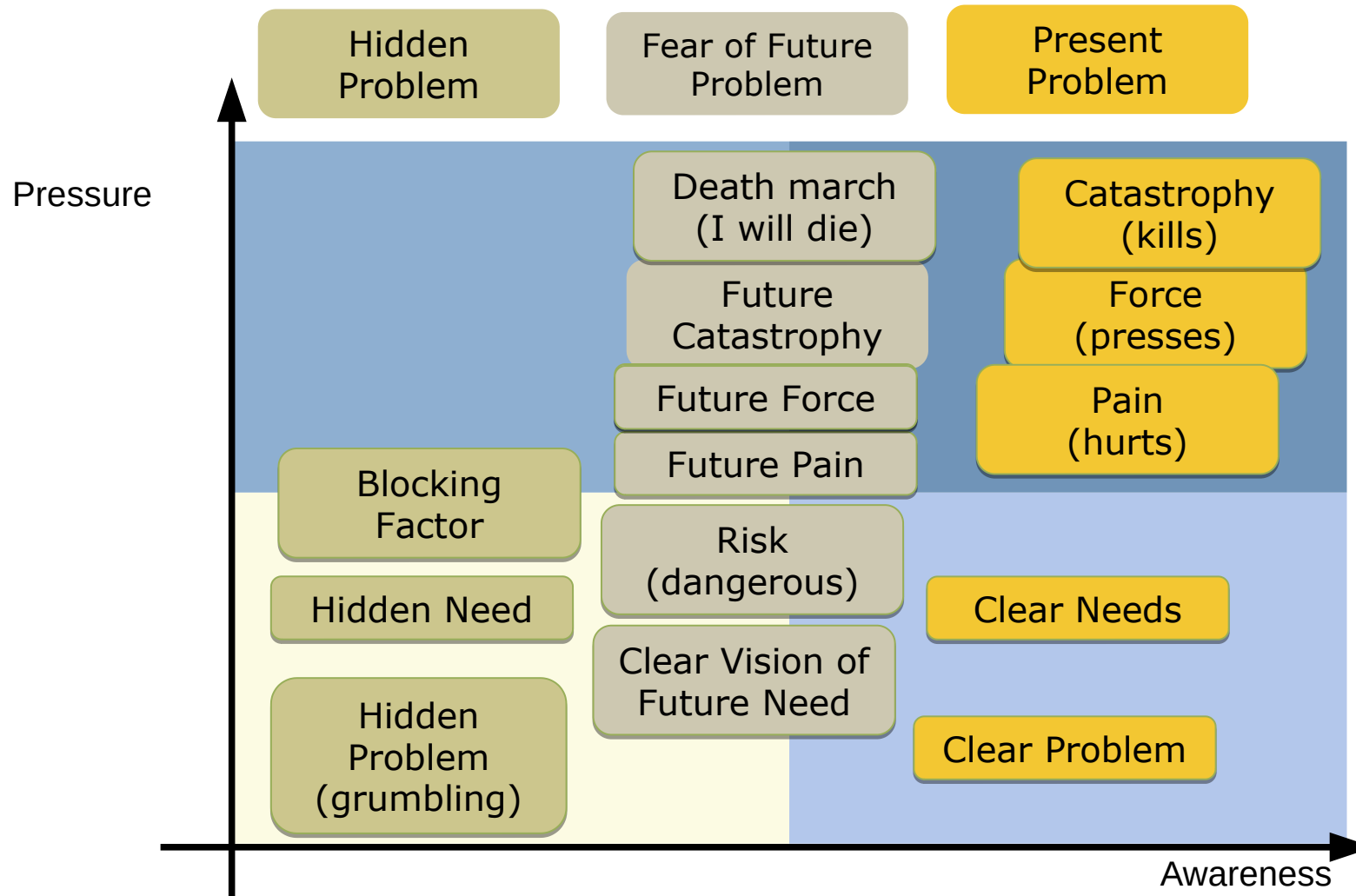
- ▶ Climate catastrophe
- ▶ Deodorant
- ▶ Partnership portals
- ▶ Islamistic terrorism in the West
- ▶ Odol mouth water
- ▶ Glasses
- ▶ Attack on your software
 - threat modeling, attack modeling

Exc.: Getting Research Funding with Pain

- ▶ Funding for the Climate Catastrophy
- ▶ Funding for the Hadron Collider
 - Gain: World formula
- ▶ Funding for the Energiewende

Exercise of Pain analysis for Your Project

- ▶ **Pressure** and **awareness** are two important factors influencing customer decisions. Their product determines decisions
- ▶ Problems with high pressure and awareness **MUST** be solved and lead to buy decisions

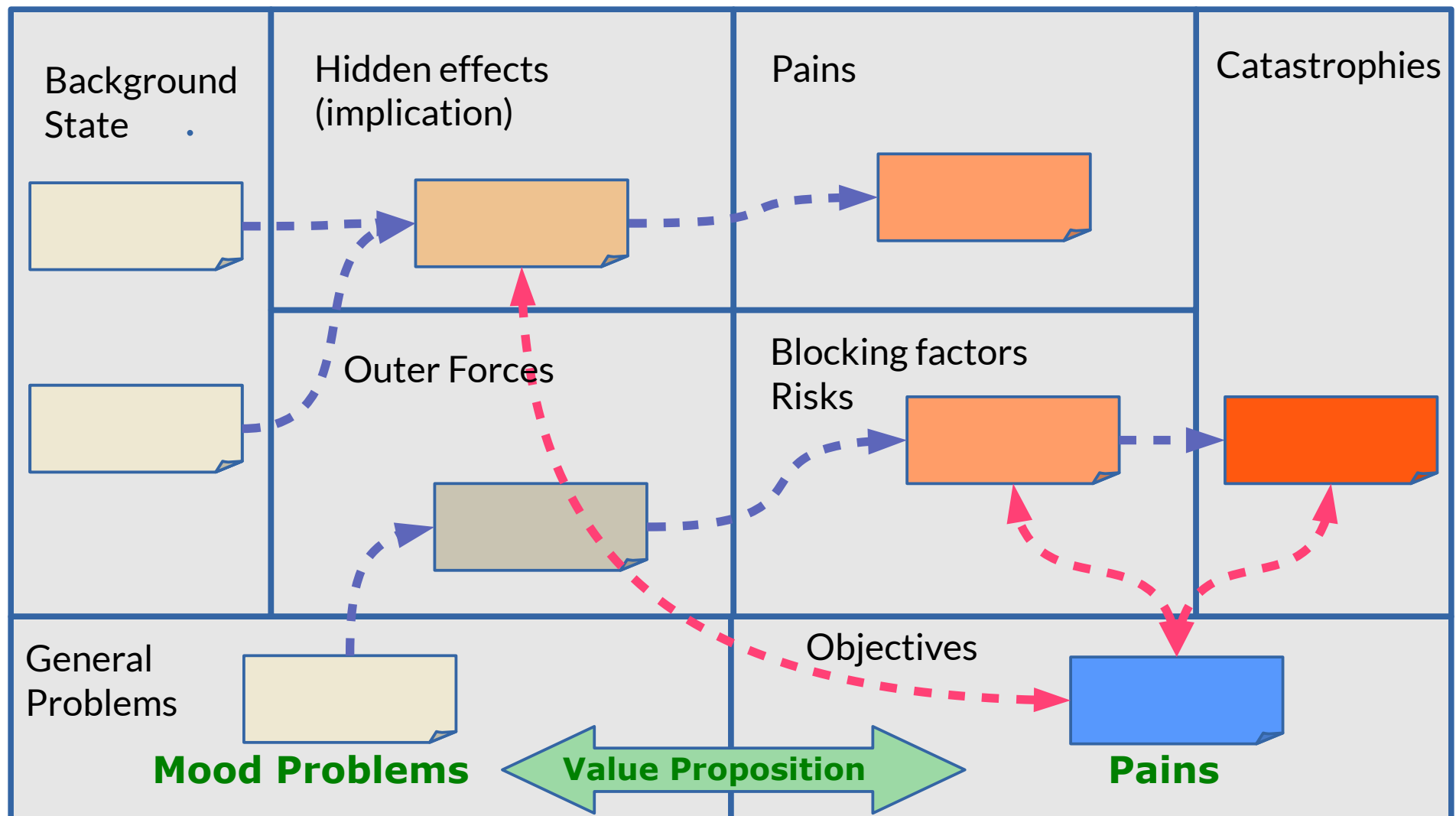


Pain Refinement with the Pain Canvas

- ▶ A **problem hypothesis** is tested in pain analysis. If it is validated, it becomes a **tested (real) pain (fact)**.
- ▶ A **pain canvas (problem classification canvas)** classifies the problems into different classes of *pains*
- ▶ It forms the left part of the Pain-Gain Banana and can be used for
 - Stating a problem hypothesis in VPA
 - Specifying questions for customer interviews
 - Preparing selling and sales interviews.
- ▶ The problem canvas is derived from different sources, e.g., SPIN, Maslow, ZOPP

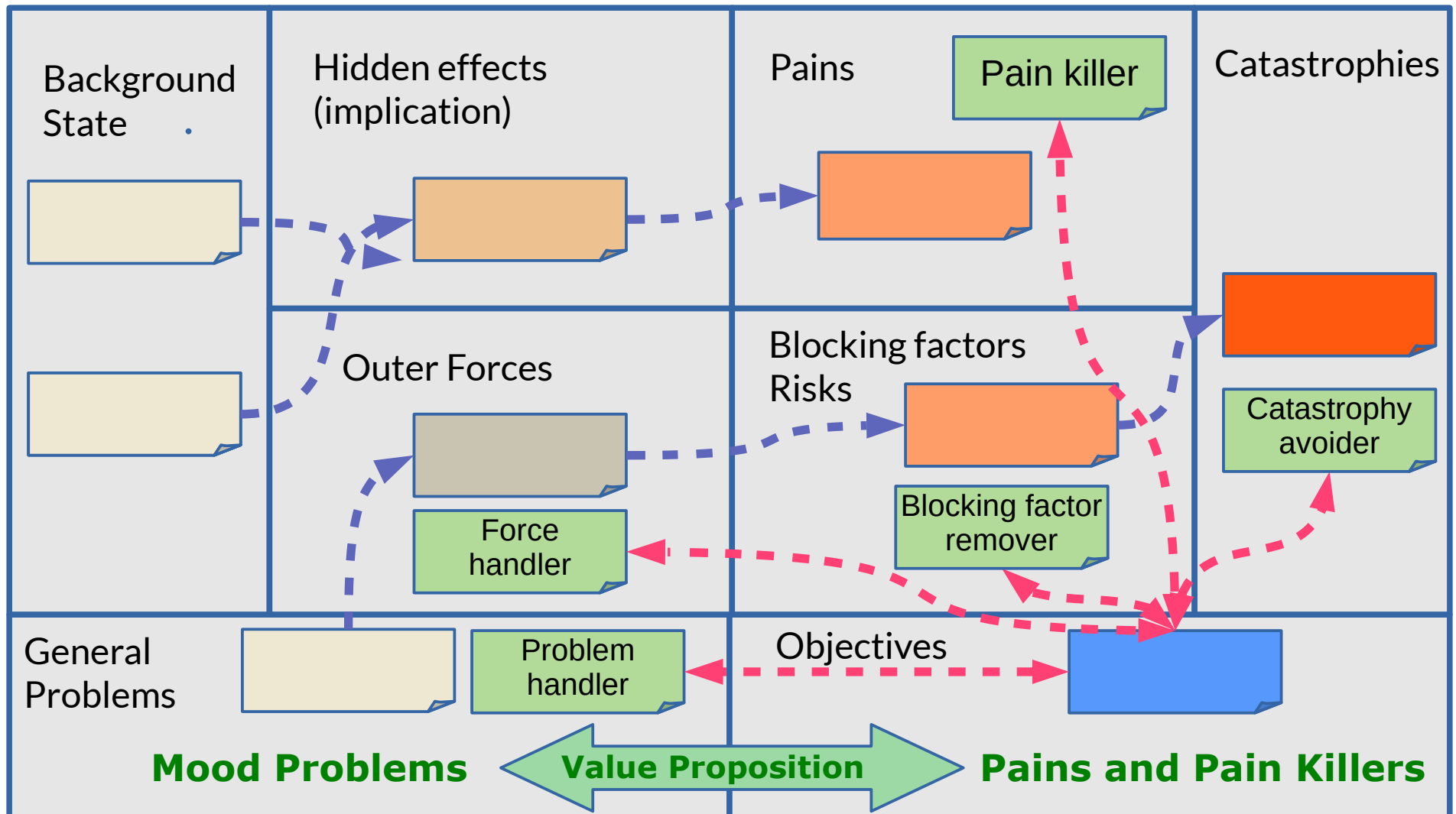
Pain Refinement with the Pain Canvas (Problem Classification Canvas)

- ▶ Put a problem first into the “General” or “Background” field, then classify it and refine it (from left to right)
- ▶ Think about which stakeholder has which objectives. First untested, then tested



Pain Killer Canvas

- ▶ By adding *pain killers*, the Pain Canvas can be extended to the **pain killer canvas**





13.2 Pain Management

Pain management is an essential activity of a startup

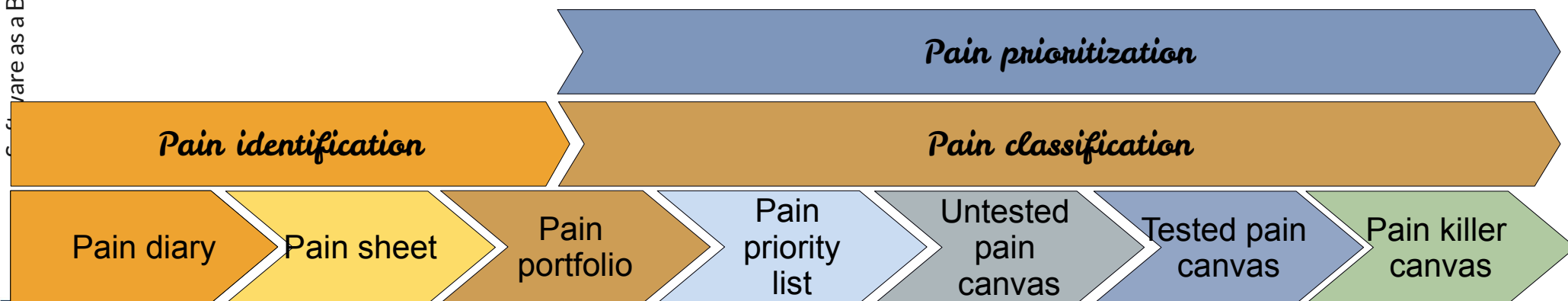
- Like Risk management (→ course Softwaremanagement)
- Put up a PDCA process
- Identify pains, assess pains, classify pains with pain portfolio and Problem canvas

Pain Management with Pain Diary, Pain Sheet, Pain Priority List, Pain Canvas, Pain Killer Canvas

- ▶ A **pain diary** is a diary in which all problems, pains, deficiencies of techniques and tools are recorded day by day
- ▶ A **pain sheet** [Bosworth] suggests this 3-step table (reasons → impact → capabilities) for thinking about the cause-effect relationships of the pains of the customers

Reasons/ Causes	Impact/ Effects	Capabilities
--------------------	--------------------	--------------

- ▶ A **pain priority list** ranks all known pains with a priority (product awareness * pressure)
- ▶ An **untested pain canvas** classifies all pains into different classes, but is untested
- ▶ A **tested pain canvas** has verified hypotheses about the pains
- ▶ A **pain killer canvas** is a tested pain canvas with annotated pain killers



Make sure your product is a pain killer, and not a vitamin.

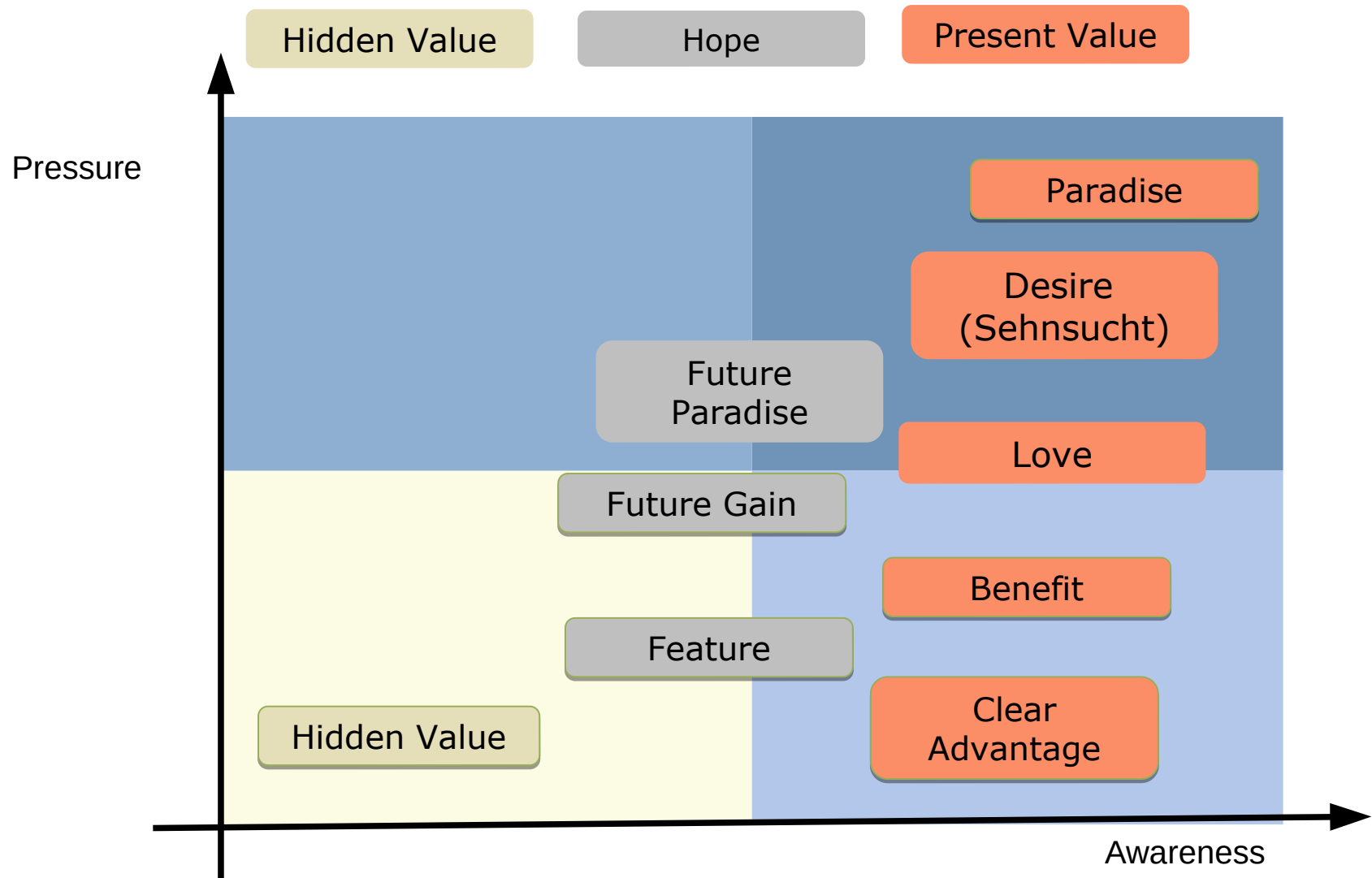


13.3. Deep Gain Analysis

After pain analysis, you should do a gain analysis with your customer. There are different kinds of gains...

Gains/ValueProduct in the Pressure-Awareness Portfolio

- ▶ **Hope** is a strong motivation
- ▶ **Hidden value** is implicit gain

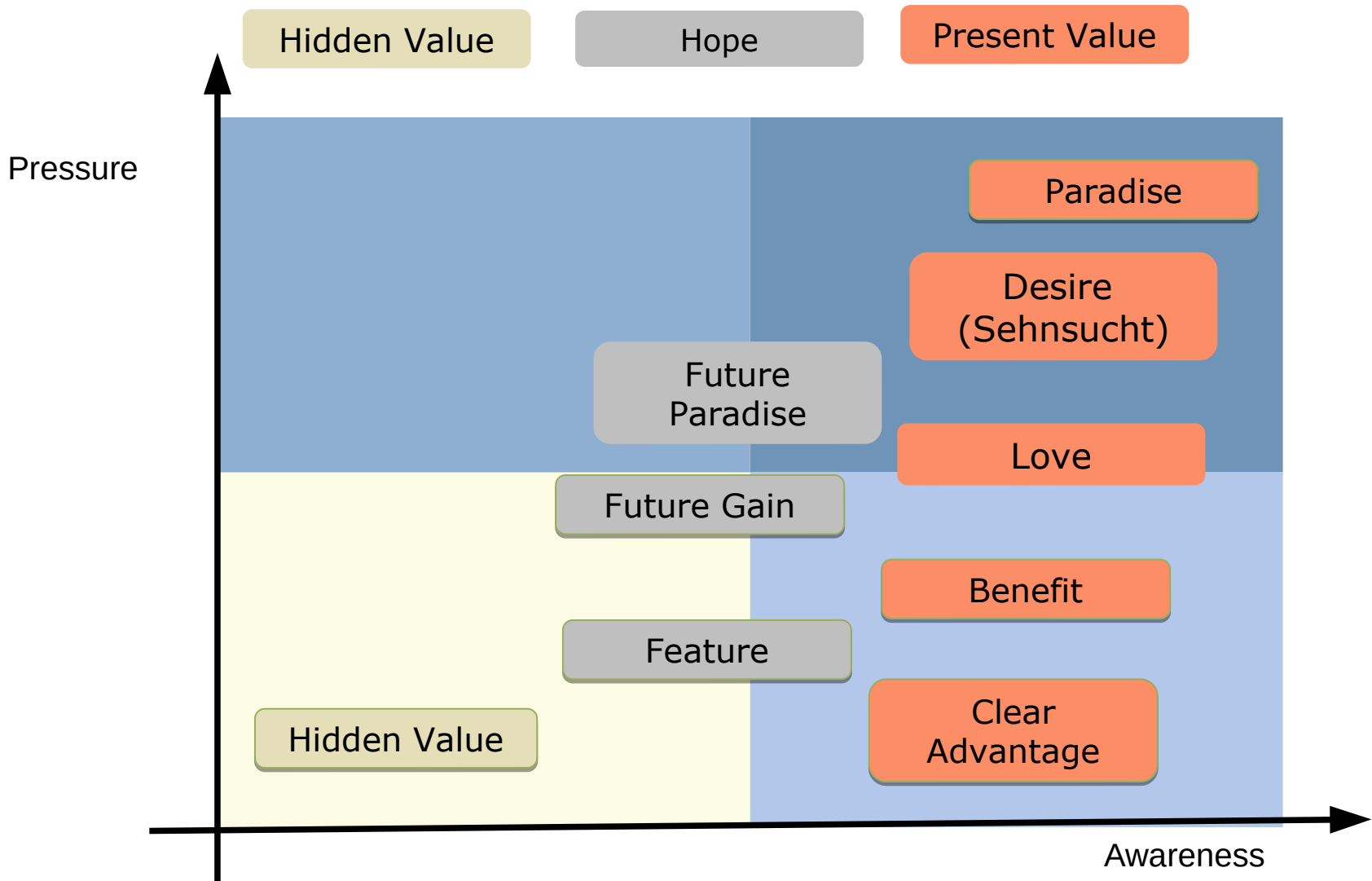


Exc.: Classify: is it a Gain, Benefit, Desire? Determine Gain Priority

- ▶ Hadron Collider
- ▶ Google Glass
- ▶ Mobile phone
- ▶ Tablet computer
- ▶ Communism
- ▶ Socialism
- ▶ Vom Tellerwäscher zum Millionär
- ▶ Lottery

Exercise Gains/Value

- ▶ **Hope** is a strong motivation
- ▶ **Hidden value** is implicit gain



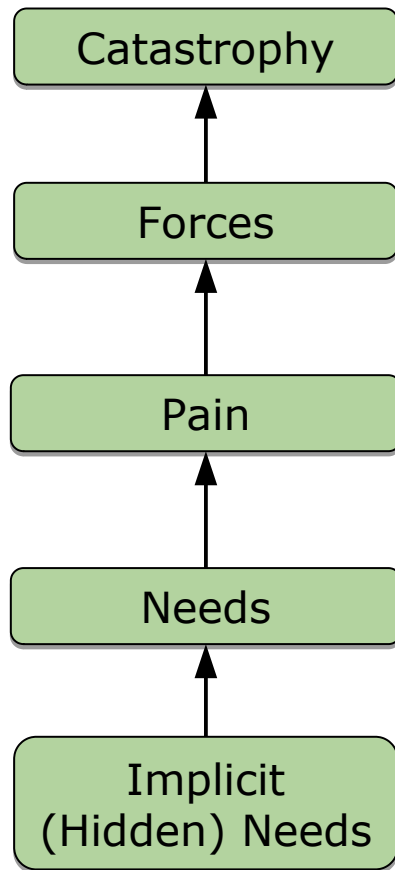


13.4 Another Question-Guided Travel Through the Sales Funnel: Pain-Gain Analysis with the Pain-Gain Banana

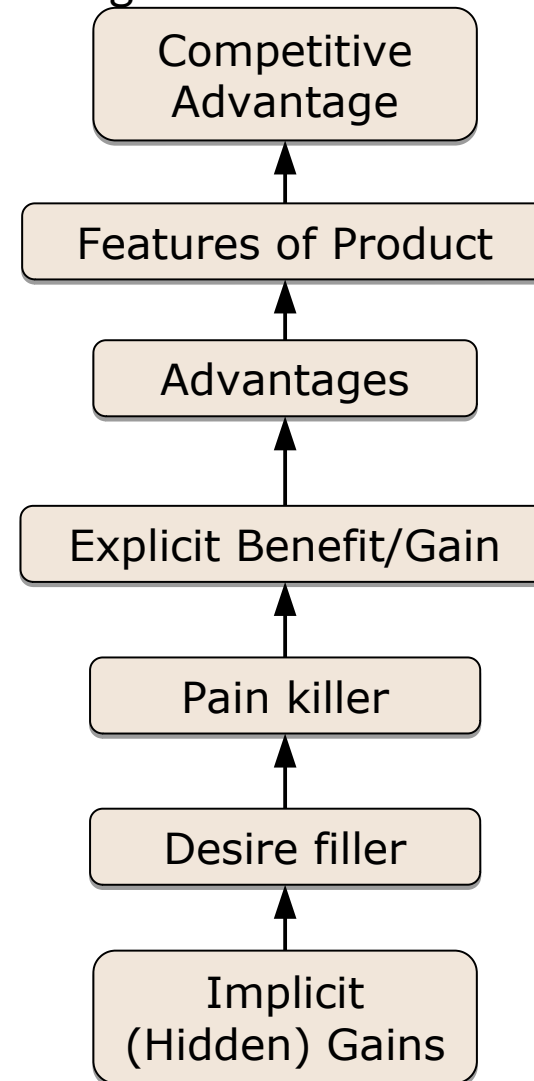
Guiding your potential customer LIVE through a pain/gain analysis,
increasing the pain pressure and awareness for her

Severity Levels of Pain

- ▶ **Pains** are differently severe. The following levels can at least be distinguished:



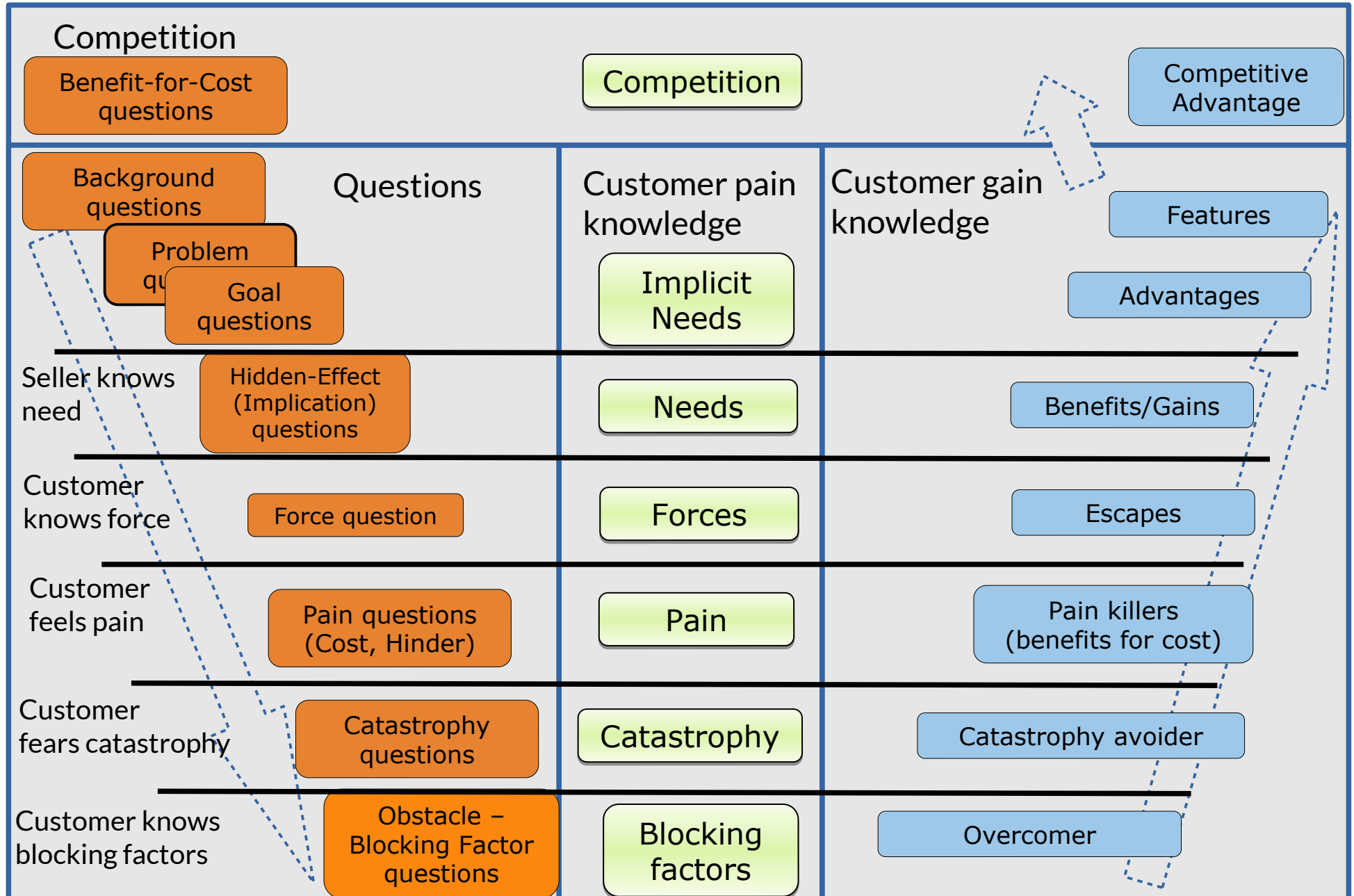
- ▶ **Gains** are differently severe. The following levels can at least be distinguished:



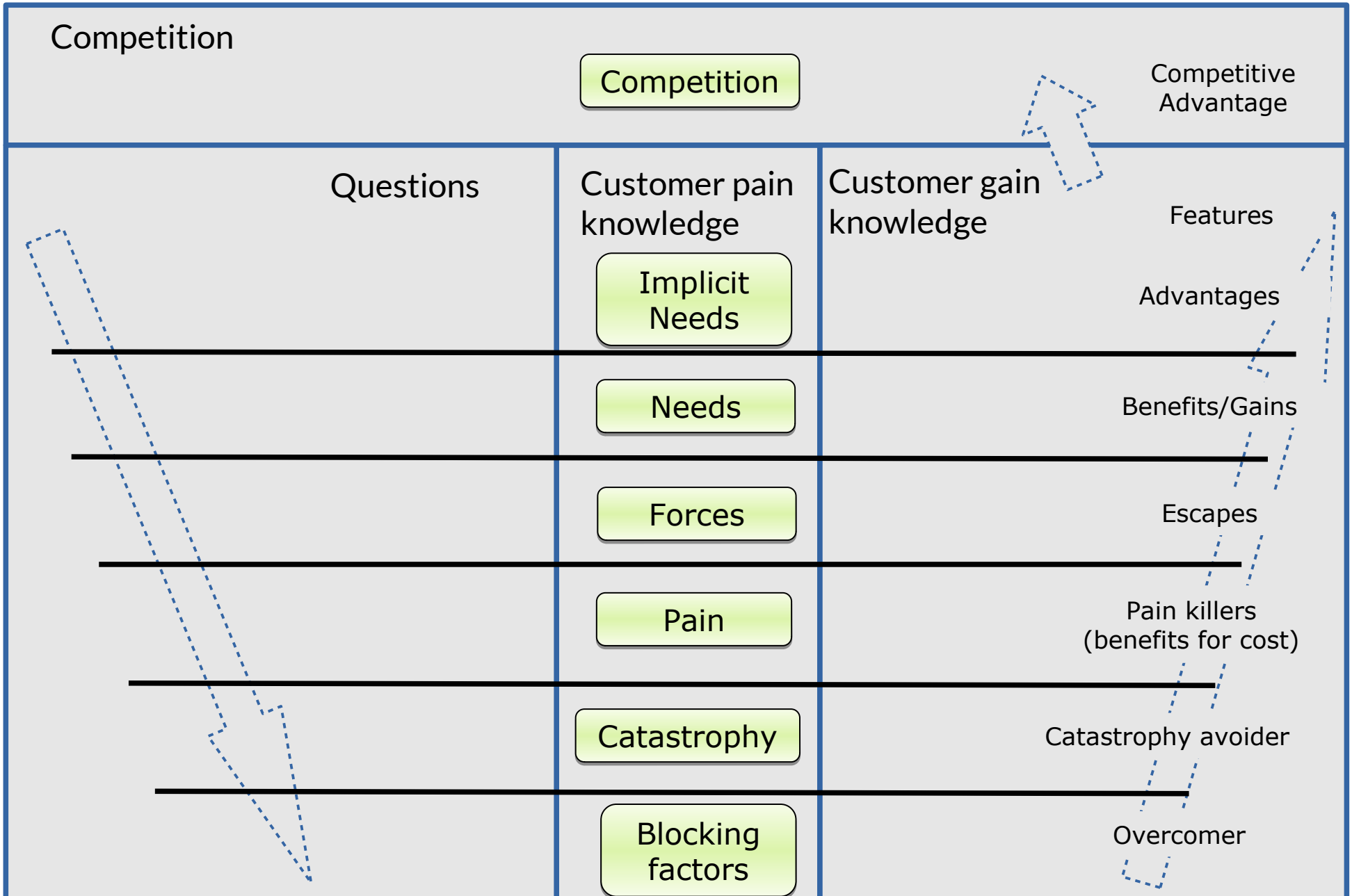
Pain-Gain-Banana Canvas

- ▶ We can define now a third Sales Funnel Travel²⁶ based on the different levels of pain and gain
- ▶ The **Pain-Gain Banana** canvas can be used for customer pain-gain analysis
 - Canvas transforms hidden pains to competitive gains
 - Derived from SPIN® selling, ZOPP, NABC and VPC
- ▶ Blocking factors directly transform pains to gains
- ▶ Goals transform future pains to future gains
- ▶ Catastrophies require urgent action

Pain-Gain-Banana Question Canvas: The banana intensifies the pain and the gain



Pain-Gain-Banana Stripped Form





13.5. Stickiness and Virality of a Feature – The Influence of the UCA

.. how to achieve that the news spreads itself
(how to achieve mouth-to-mouth words)

Virality

- ▶ A **viral** product/service is one about which news spreads easily, because people talk about it.

For **virality**, increase the pain priority, gain priority, and UCA.

Carlson-Wilmot NABC

Hook

Need

Approach/
Solution

Benefit
for
Cost

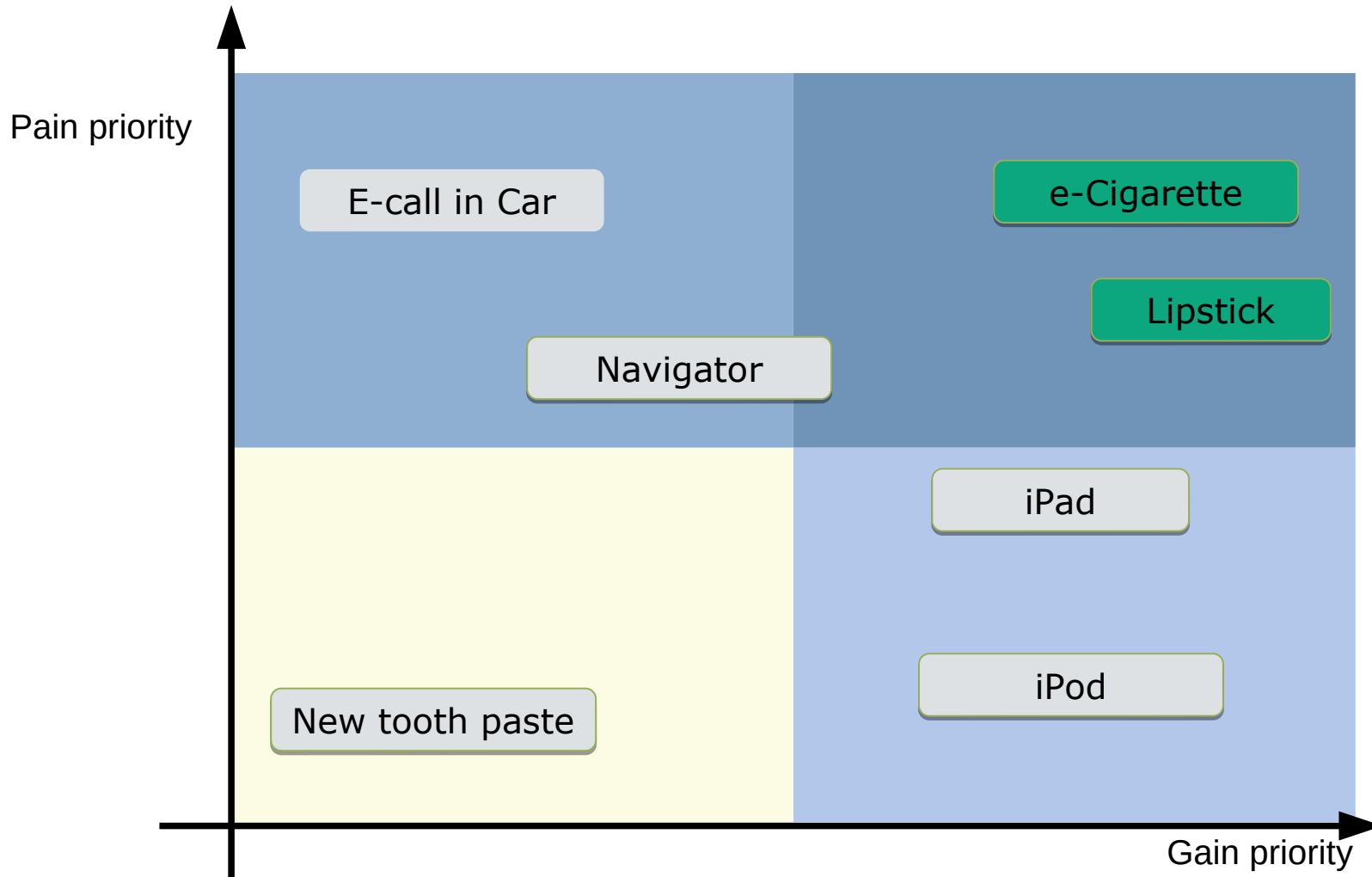
Competition

Conclusion

Carlson-Wilmot Elevator Pitch

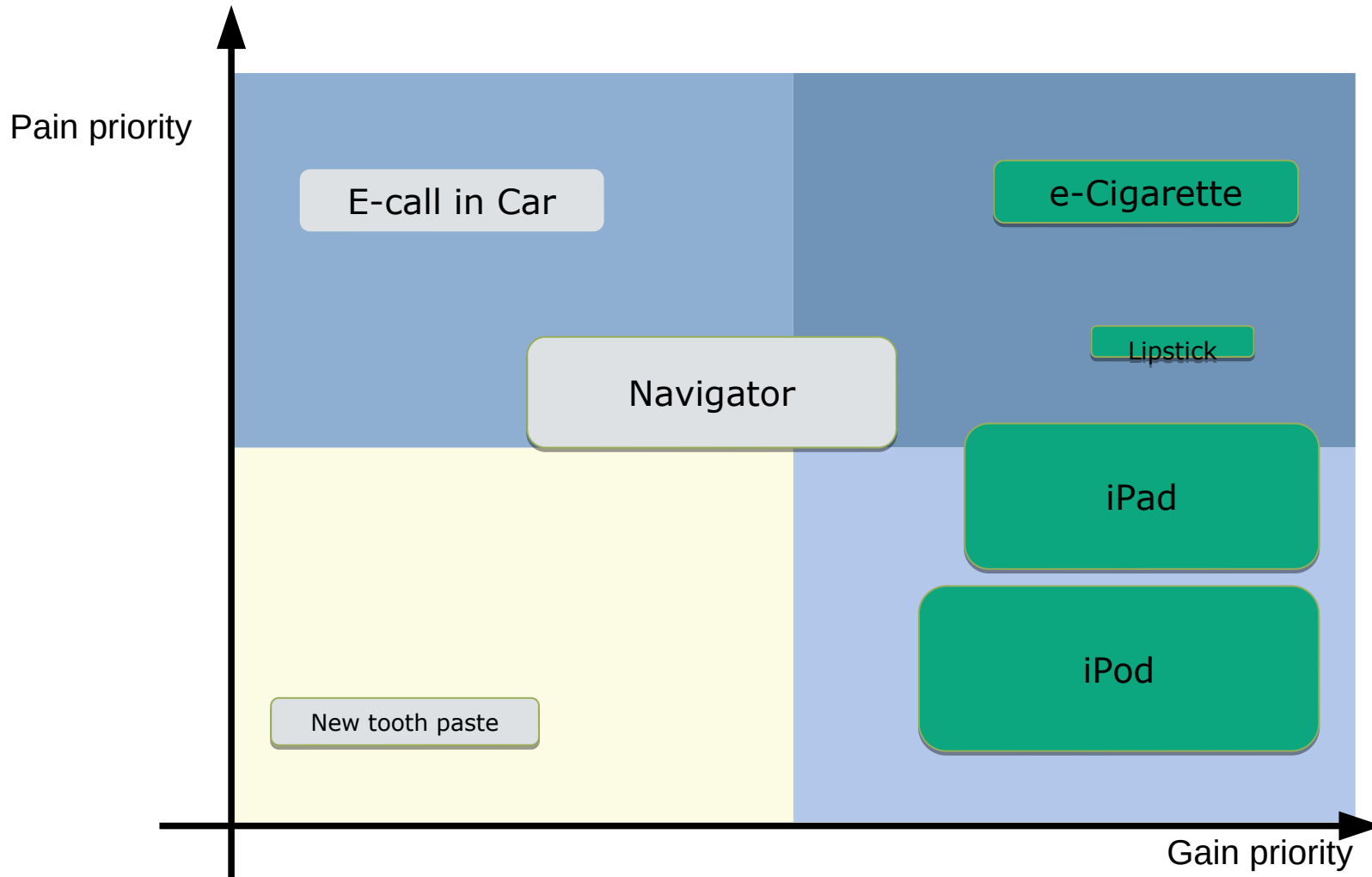
Pain-Gain-Stickiness as Pain/Gain Product

A **sticky** product/service has high pain **and** gain priority.
(green: infectious)



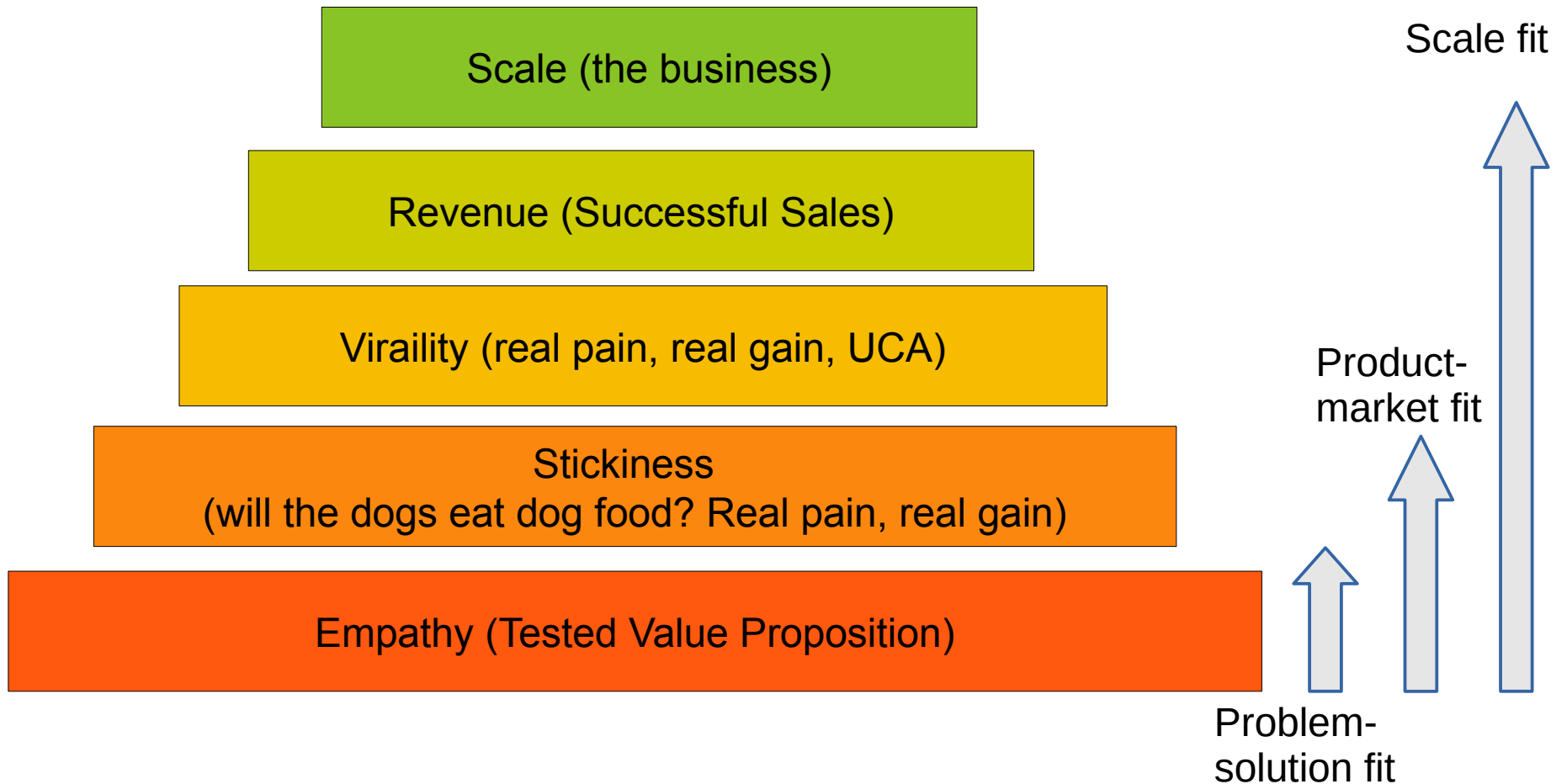
Pain-Gain-UCA-Virality

A **viral** product/service has high pain, high gain priority, and high (ultimate) competitive advantage.
(visualized here with the size of green boxes)



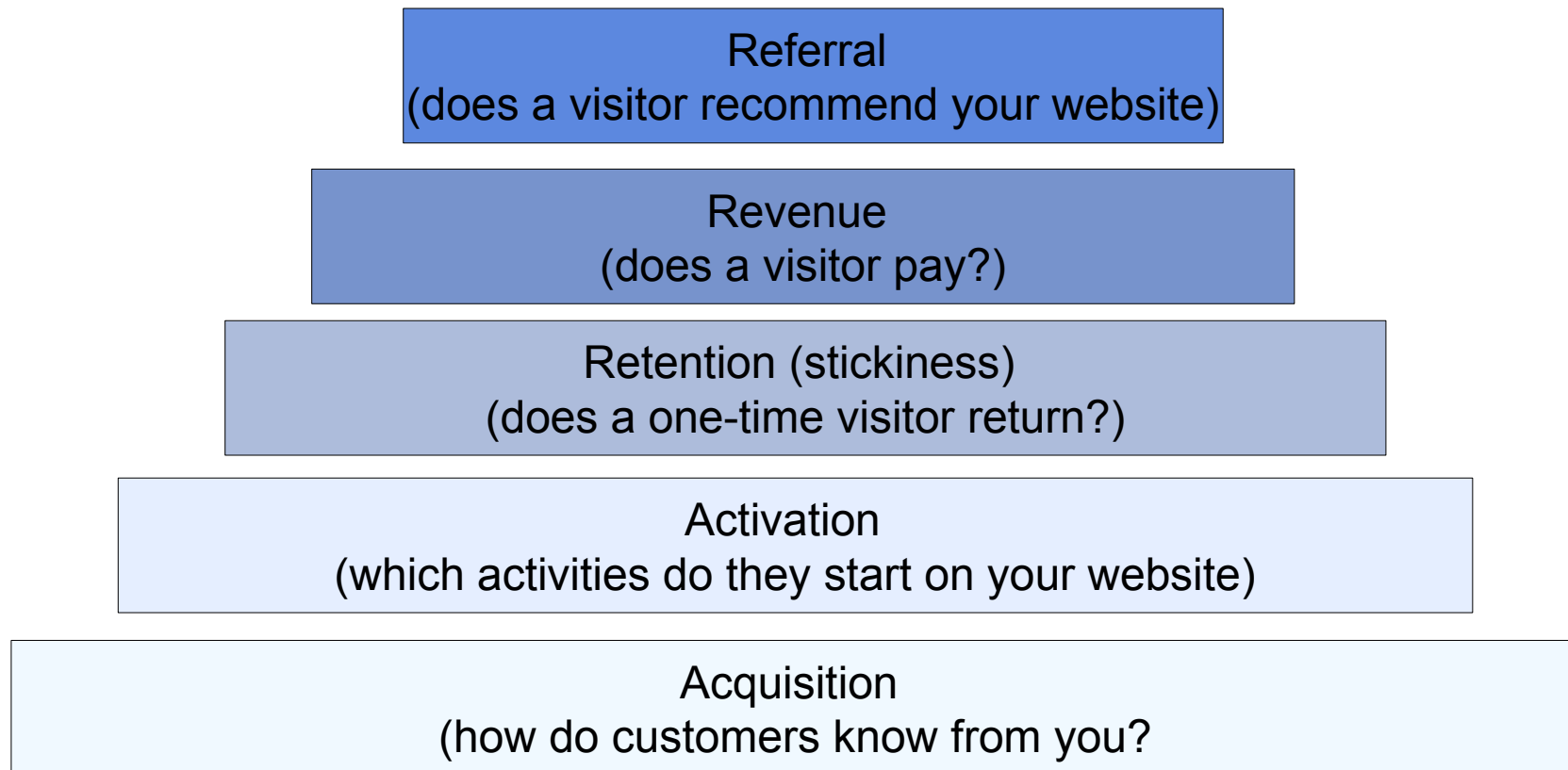
The “Lean Analytics” Stages and Their Metrics

- ▶ The Lean Analytics Stages are a simple stage system for product/service product-market fit.
- ▶ [LeanAnalytics] contains metrics for every stage



The Pirate Metrics AARRR for Web Site Visits

- ▶ “Even pirates need metrics.” (Dave McClure)
- ▶ Example: the story of Dropbox – starting with a **smoke video** of a non-existing product
 - <http://techcrunch.com/2011/10/19/dropbox-minimal-viable-product/>

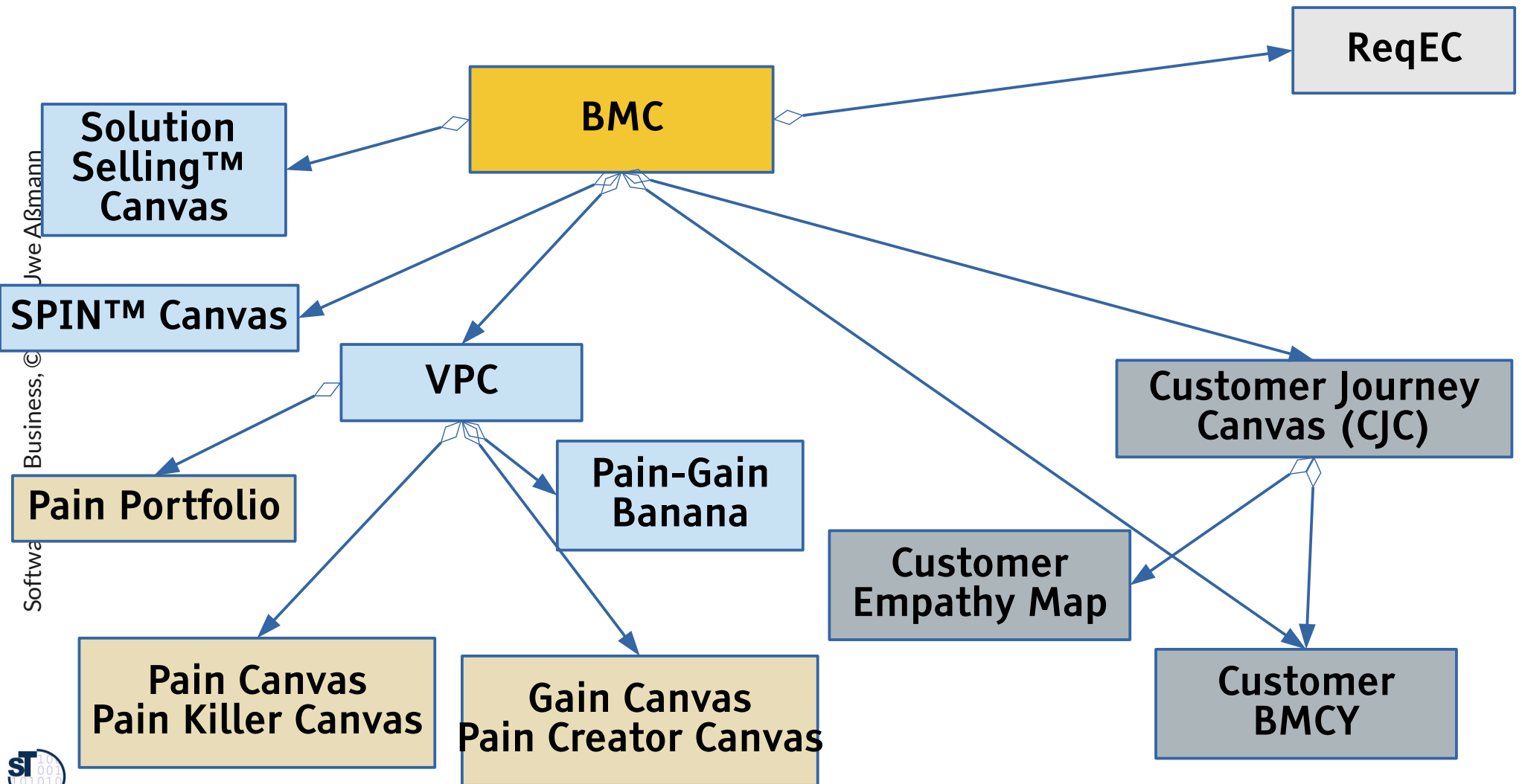




13.6. The Evolving Cactus of the Nested BMC

The Dependency Structure of Canvases (the Nested BMC)

- ▶ How would you maintain an evolving cactus for all these canvases?



Most Important for Startups

Deep Pain (and Gain) management

Stickiness, Virality, and UCA management

The End

- ▶ Explain the difference between customer empathy, activation, stickiness, virality and referral.
- ▶ What is the difference between untested, assessed, and tested canvases?
- ▶ What is a strong real tested pain?
- ▶ Why are catastrophies better for a good value proposition than blocking factors?
- ▶ Explain the influence of the UCA for virality.
- ▶ Why is the pirate metrics important for building good value propositions?
- ▶ How can you cross the border between Virality and Revenue in the LeanAnalytics stages?
- ▶ Explain the differences between the SPIN™ Canvas and the VPC. Which canvas do you prefer for a cold call?
- ▶ Explain the differences of SPIN Canvas and Pain-Gain Banana.
- ▶ What is virality? What is UCA?