

BM.6

Generate marketing ideas for the value proposition block

Complex activity

This activity aims to generate ideas to address hotspots or strategic changes in the value proposition block, making use of the People, Profit, Planet template.



INPUTS

- Hotspots or strategic changes related to the customer segments block from the activities *ST.7 Value Proposition block*, *BM.2 Gather additional data on the business model*, and *BM.3 Gather additional data on operational performance*.

OUTPUTS

- Specific ideas for how to change the Customer Segments block to address the hotspots or strategic changes, used in the activities *BM.4 Generate business model concepts at the big picture level* - if taking a 'Bottom-up' approach, *BM.15 Evaluate the benefits*, and *BM.16 Evaluate the costs* and *BM.17 Evaluate the risks*.

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The value proposition describes both the tangible products and services that the company provides to its customers and also the benefits or ‘pain relief’ that those products contribute. These two elements of the value proposition are broadly defined by the ‘products’ and ‘selling points’ described in the business strategy proposal. Nonetheless, there is always scope for innovation in defining the details of the value proposition.

When part of an eco-innovation activity, it is important that Life Cycle Thinking is embedded in new value proposition ideas. This will enable the development of new value propositions that offer improved sustainability performance across the life cycle. Life Cycle Thinking is an approach that helps to understand how our choices influence what happens at each of the stages of the life cycle of a product. There are two key activities involved in Life Cycle Thinking:

Developing an understanding of the main contributors to the overall environmental, social and economic impacts of a product across its life cycle, from raw material extraction through to disposal at end of life.

Taking action to reduce negative sustainability impacts and enhance positive sustainability impacts.

The first of these aspects should have been addressed through the In-Depth Assessment. Here the focus is on generating ideas to improve sustainability performance. Two approaches are available to help with this. The first is the *People, Profit, Planet template* which focuses on defining the right balance of requirements between the various stakeholders of the product. The second is the 9 Windows on the World approach, which focuses more on identifying the root cause of sustainability challenges and is described further in the next activity.

Generating ideas for the value proposition block using the *People, Profit, Planet template* can be done by yourself or as a small workshop. If you decide to run the activity as a workshop it can be helpful if you have company representatives from the design, marketing or sales functions as they will have a good understanding of the end users’ needs and requirements. The instructions below describe how to apply the *People, Profit, Planet template* as a workshop activity.

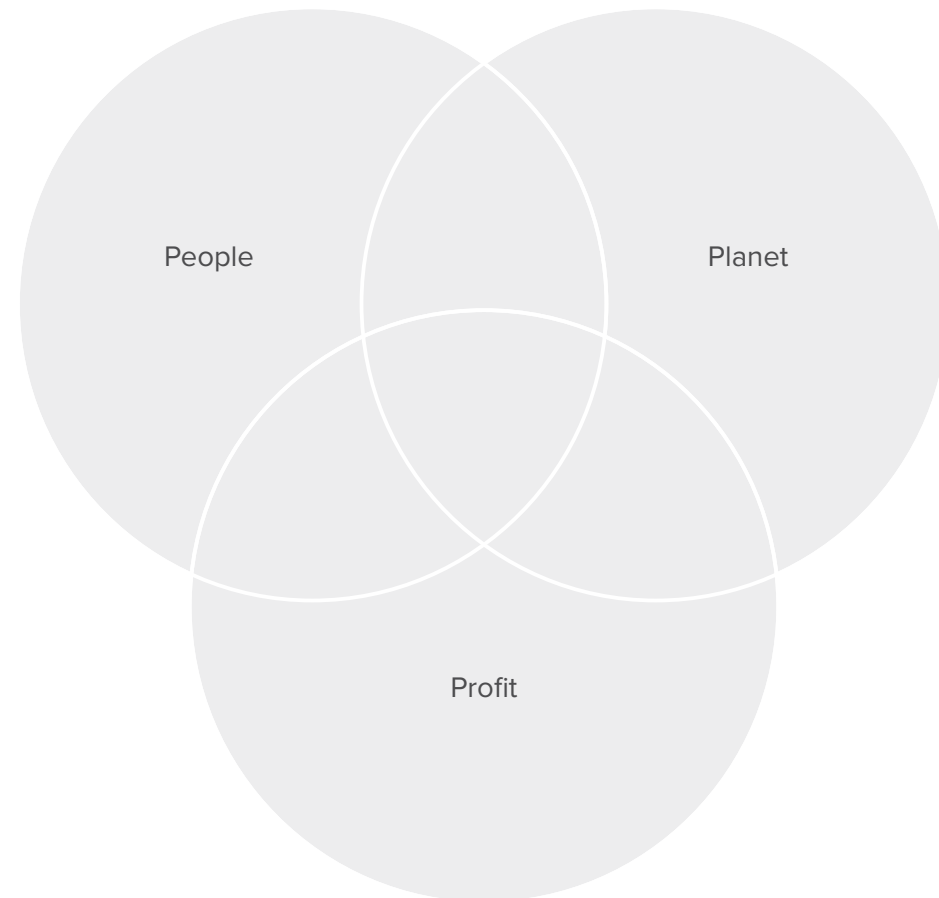
HOW TO GO ABOUT IT

1. Introduce the session by explaining that the *People Planet Profit (PPP) template* is used to identify opportunities for product innovation that will result in benefits for ‘people’ (i.e. the customer or society), ‘planet’ (i.e. the natural environment), and ‘profit’ (i.e. the manufacturer).
2. For an existing product or service, list the main requirements on sticky notes – one requirement per sticky note.
3. Draw three very large overlapping circles on an A1 flipchart sheet or whiteboard and label them ‘People’, ‘Planet’ and ‘Profit’, as per the example below.
4. Ask the participants to position the sticky notes they have created on the *PPP template* according to which of the three stakeholders the fulfilment of that requirement will benefit. Requirements that benefit all three stakeholders are placed in the centre of the template and are referred to here as ‘tri-synergies’.

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5. Once all the requirements have been placed on the template, try to generate new eco-innovation product and marketing ideas by considering:
 - Have existing tri-synergies been fully exploited?
 - What could you change to create new tri-synergies?
 - Where are the major conflicts?
6. Setting a target for the number of ideas generated in a time-limited period can help to expand the range of ideas suggested e.g. “Generate 20 ideas in 20 minutes”.
7. End the session by asking the participants to decide on what they believe to be the top three ideas from the session that should be considered for implementation.

Template of People, Planet, Profit



People, planet, profit

Project _____

Date _____

Version _____

People

Planet

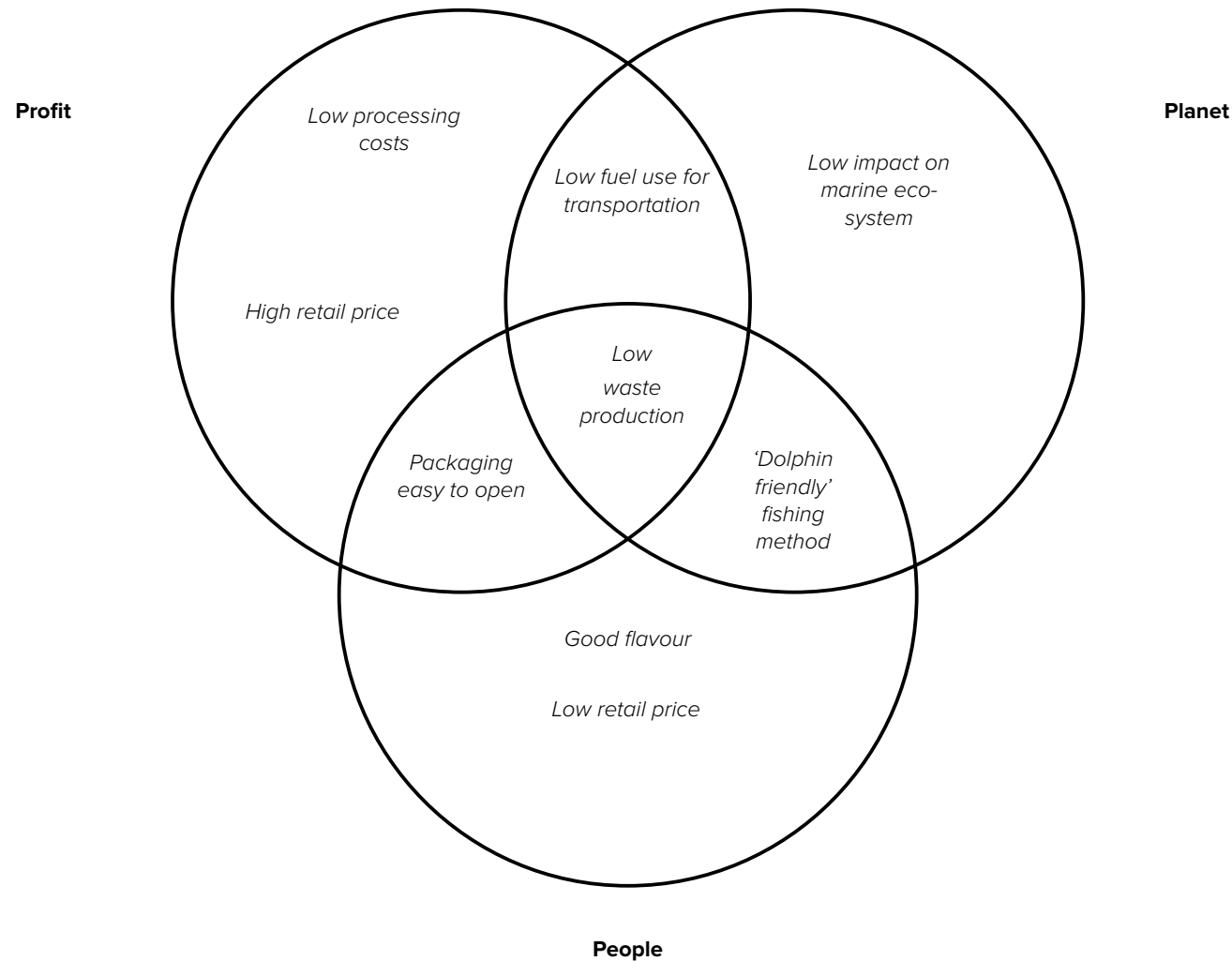
Profit

Used during activities

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LEARNING CASE STUDY OF PEOPLE, PLANET, PROFIT



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TIPS & TRICKS

HELP WITH TECHNOLOGY

To support the development of a new value proposition you may identify a need for some amount of new technology (including expertise in the use and maintenance of that technology). This new technology may need to be developed in-house, but can also be acquired through other means (e.g. licensing, open innovation, technology transfer etc.). Further advice on how you as a Service Provider can support the company throughout all the stages of acquiring the technology they need to deliver their eco-innovation is provided in the report 'Technologies for Eco-innovation' (UN Environment, 2016).

SHIFTING IMPACTS BETWEEN SUSTAINABILITY ASPECTS

Take care to avoid implementing solutions that enhance environmental sustainability while worsening the social aspect - similar to the previous point, it is important to check that when making aspects to one aspect of sustainability that performance in other dimensions is not create new problems in other sustainability dimensions (i.e. more environmentally sustainable products that come with a price premium and so become too expensive for poor, female-headed households).

IGNORE EXISTING SOLUTIONS

Generating ideas for new eco-innovative product concepts can be challenging as the tendency will be to try to optimize the existing solution. Unfortunately, this type of small refinement of an existing product is unlikely to yield the radical improvement in sustainability performance that is the aim of eco-innovation. To help with this issue, structured idea generation tools that encourage more radical thinking can be used.

GENDER-BALANCED WORKSHOP

If you organise a workshop try to ensure that you have a gender balanced group of staff to participate in the session.

SHIFTING IMPACTS ACROSS LIFE CYCLE

Take care to avoid implementing solutions that simply shift the sustainability impacts from one phase of the product life cycle to another – before implementing a solution it is important to consider if the total life cycle negative impacts have been reduced. This check can be performed quickly using the *Life Cycle Thinking*, or more thoroughly using Life Cycle Assessment.

CONSIDER HIGHER SYSTEMS LEVELS

When you encounter a problem, the natural response is to try and tackle the problem at the level at which you experience it. However, reformulating a problem to consider the wider system in which the problem occurs can give much greater scope for innovation, leading to better solutions. For instance, instead of trying to reduce the energy and water consumption of a domestic washing machine, could you investigate the possibility of a community laundry service?

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FOCUS ON SUSTAINABILITY HOTSPOTS

When generating ideas for ways to reduce the sustainability impacts of a product it can be very easy to become side-tracked into tackling issues that do not have a major sustainability impact. To ensure that the ideas that you generate deliver the maximum benefit in terms of reducing sustainability impacts, it is important that you take the sustainability hotspots previously identified as the starting point for your idea generation activity.

ENHANCE POSITIVE SUSTAINABILITY IMPACTS

It is important not to forget that many products have some positive sustainability impacts. The Tasty Tuna Company is providing healthy, nutritious food to lots of people for example. Enhancing these positive impacts is just as important as reducing negative impacts, but is an issue that is often overlooked.

BACKGROUND INFORMATION

References and resources

People, Planet, Profit Diagram:

- O'Hare, J. (2010). Eco-innovation tools for the early stages: an industry-based investigation of tool customization and introduction. PhD thesis, University of Bath, UK.

Value proposition idea development and testing:

- Osterwalder, A., Pigneur, Y., Bernarda, G., & Smith, A. (2014). Value proposition design: how to create products and services customers want. John Wiley & Sons.

Technology issues:

- UN Environment (2016). Technologies for Eco-innovation. UN Environment Economy Division, Paris

→ Further information in the Agri-food, Chemicals and Metals Supplements

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BACKGROUND INFORMATION

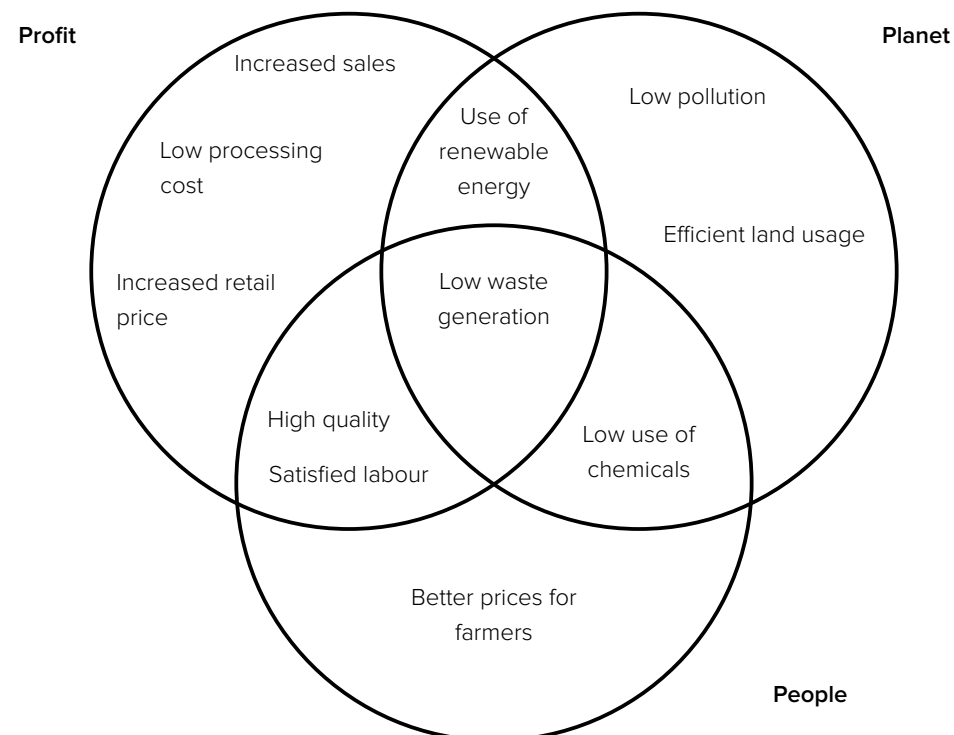
The *People, Planet, Profit (PPP)* template is used to generate creative, value proposition ideas for Mango Pulp Co. You can use the *PPP* template to help you find ways to modify the requirements of the product so as to create new benefits for the business, the environment and the customer at the same time.

The requirements listed in the diagram can be used to generate ideas for a new value proposition. Ideas can be generated by thinking about how each requirement can be “pushed” towards the so called tri-synergy point where the requirement benefits all three stakeholders involved. Mango Pulp Co. already has a high quality product that is benefiting the company economically (Profit), but also the consumers (People). The requirement is thus lacking environmental benefits in order to be in the tri-synergy. The idea generation is therefore focused on improving the environmental sustainability performance of the product. Some sustainability issues were identified during the Life Cycle Thinking exercise in the SET STRATEGY phase. These can now be revisited in order to help generate new value proposition ideas for a new business model.

Based of those requirements, the following two additional business models were proposed:

Business model 2 – Collaborate with local government and farmers to create an eco-park on farms in the proximity of Mango Pulp facilities. Visitors will be able to get a better insight in the value chain of the Mango Pulp Company through guided tours. This business model focuses on building relationships between farmers and consumers in order to increase profitability across the value chain. Sales of Mango Pulp products are supplemented by eco-tourism activities and profits are shared with farmers involved in the eco-park.

Business model 3 – Adopt a hybrid organisation business model in which one part of the company is engaged in not-for-profit activities. These not-for-profit activities will include social and environmental projects for the local community, such as providing scholarships for farmer families. This aspect of the company will also help the company to increase sales in the domestic and export markets and attract skilled workforce to the company.





Eco-i Chemicals

Erhardt, G. (2011). Aligning Customer Segmentation with Industry Realities to Achieve High Performance in the Chemical Industry. Accenture.

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TIPS & TRICKS

THINK OF SPECIFIC CUSTOMER NEEDS THAT YOUR PRODUCT SATISFIES

Some innovations emerge when you consider the Value Proposition from a customer's perspective. For example:

- Closing the material cycles by offering take-back schemes and re-mining and/or reusing metals and metal components from the returned products (e.g. CAT Reman business model described in [BM.4](#)) to alleviate the customer's need to deal with the product at the end of its life and put back valuable material back in your operations.

- Leasing products or services for their use to customers instead of selling a physical product. and overall value to the

COMMUNICATE YOUR VALUE PROPOSITION THROUGH ECO-LABELS

Eco-labels can add value to the end product by certifying that it meets specific sustainability criteria. For example, the Green Label Singapore Category 043 is a certificate that ensures that products are made from at least 50% mixed recycled materials including iron, copper, nickel and zinc.

PROVIDE ADDITIONAL TECHNICAL SERVICES TO YOUR CUSTOMERS TO ENHANCE THE VALUE PROPOSITION

Providing technical services can enhance the Value Proposition for your customers and also address sustainability hotspots.

For example, maintenance services can improve the operating efficiency of machinery, which reduces energy consumption and increases customer satisfaction.

Other examples of technical services include:

- Aftersales services including remote monitoring and diagnosis of defects by using wireless transmission of data for

installed equipment to the manufacturer.

- Industrial services for B2B engineered products industry including:
 - Maintenance for the reduction of metal scrap (including inspection, repairs and optimisation of production plants)
 - Technical cleaning of production facilities to reduce environmental impacts such as emissions to air and water
 - In-house logistics (handling and monitoring incoming goods, in-house supply of production factors, management of raw and recycled materials)

- Production support to optimise quality control (provision of appliances and personnel, building up the production organisation, quality control, finishing services such as galvanisation)
- Industrial assembly (disassembly, relocation and assembly of individual machines, parts of operation and entire production facilities without newly constructing plants).

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