

# Value and Impact mapping

Mattias Arvola

# Value

and value chain analysis  
(and maybe value network map)

# Value

- Easy linguistically, complex concept
- No clear definition
  
- Value as exchange
- Value as sign
- Value as experience

# Service as a perspective on value creation

- Service is to help someone achieve a goal
- To achieve one's goal is to have value created for oneself
- Creating value is thus a service
- The customer decides the value

# Value is defined by the customer

- It is the customer (or user) who can say if what was done for her provided the desired outcome
- In commercial settings this means that if the value expected isn't delivered we might have unhappy customers to deal with
- If the customer expected something which we don't deliver we have a marketing problem, not stupid customers

# Shifting perspectives

- “In other words, DePuy, with a lens focused on what it makes, got the right answer, ‘No,’ to the wrong question: ‘Is there a design flaw with the ASR hip implant?’ A focus on the right question, ‘How well is the surgeon able to get their job done when using the ASR implant?’, would have changed its future dramatically.”

# Value chain analysis and Value network map

# Value chain analysis



Speed & Maxwell.



# What activities are necessary to deliver value for the customer?

- Draw the value chain for your business
- Analyze the competitive environment
- Identify the core strategic capabilities
- Evaluate the bargaining power and influence of each player
- Determine the possibilities (for your organization)
- Assess your vulnerabilities
- Identify themes

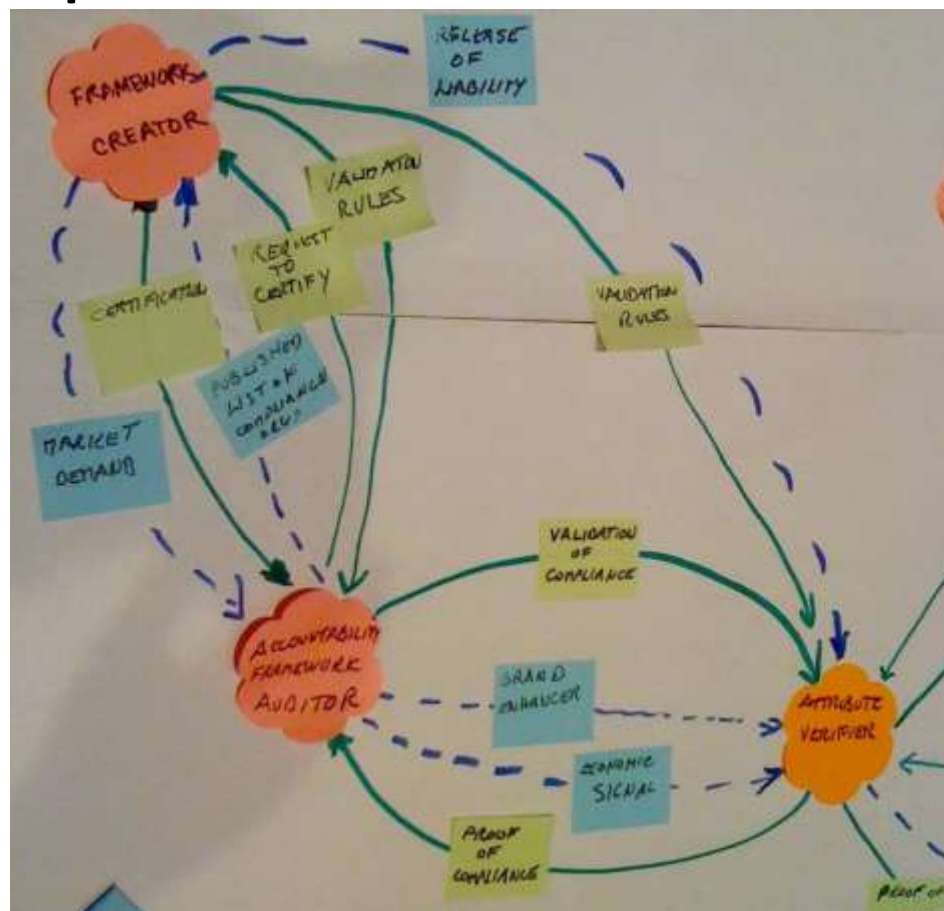


# Value chain analysis

- How does your business create value for customers?

# Value network map

- Relational
- Dynamic

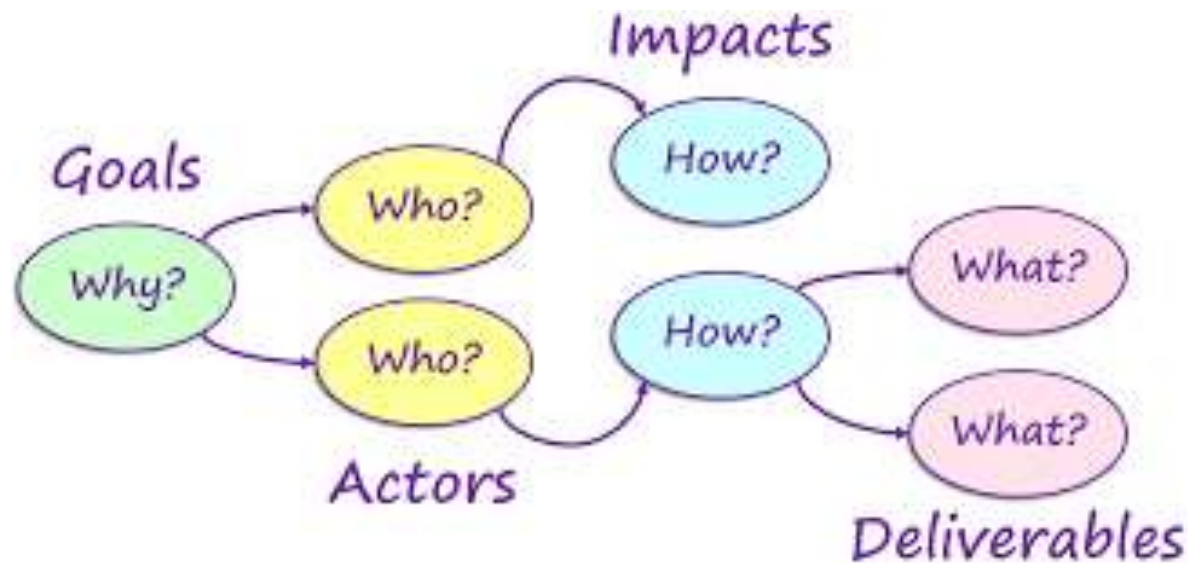


# Impact

and impact mapping

# Impact mapping

- We must understand the actors and values in order to evaluate impacts and deliverables.
- Impact maps concern people's behaviours.



# Why?

## Goal

### SMART

- Specific
- Measurable
- Action-oriented
- Realistic
- Timely

The goal should say why something is useful.

---

# Who

## Actors

- Whose behaviour do we want to impact?
  - Who can produce the desired effect?
  - Who can obstruct it?
  - Who are the consumers or users of our product?
  - Who will be impacted by it?
- 
- Primary, secondary and off-stage actors

# How?

## Impacts

- How should actors behaviour change?
  - How can they help us to achieve the goal?
  - How can they obstruct or prevent us from succeeding?
- 
- Should be "Business activities", not features



# What

## Deliverables

- What can we do to support the required impacts?
- Treat deliverables as options

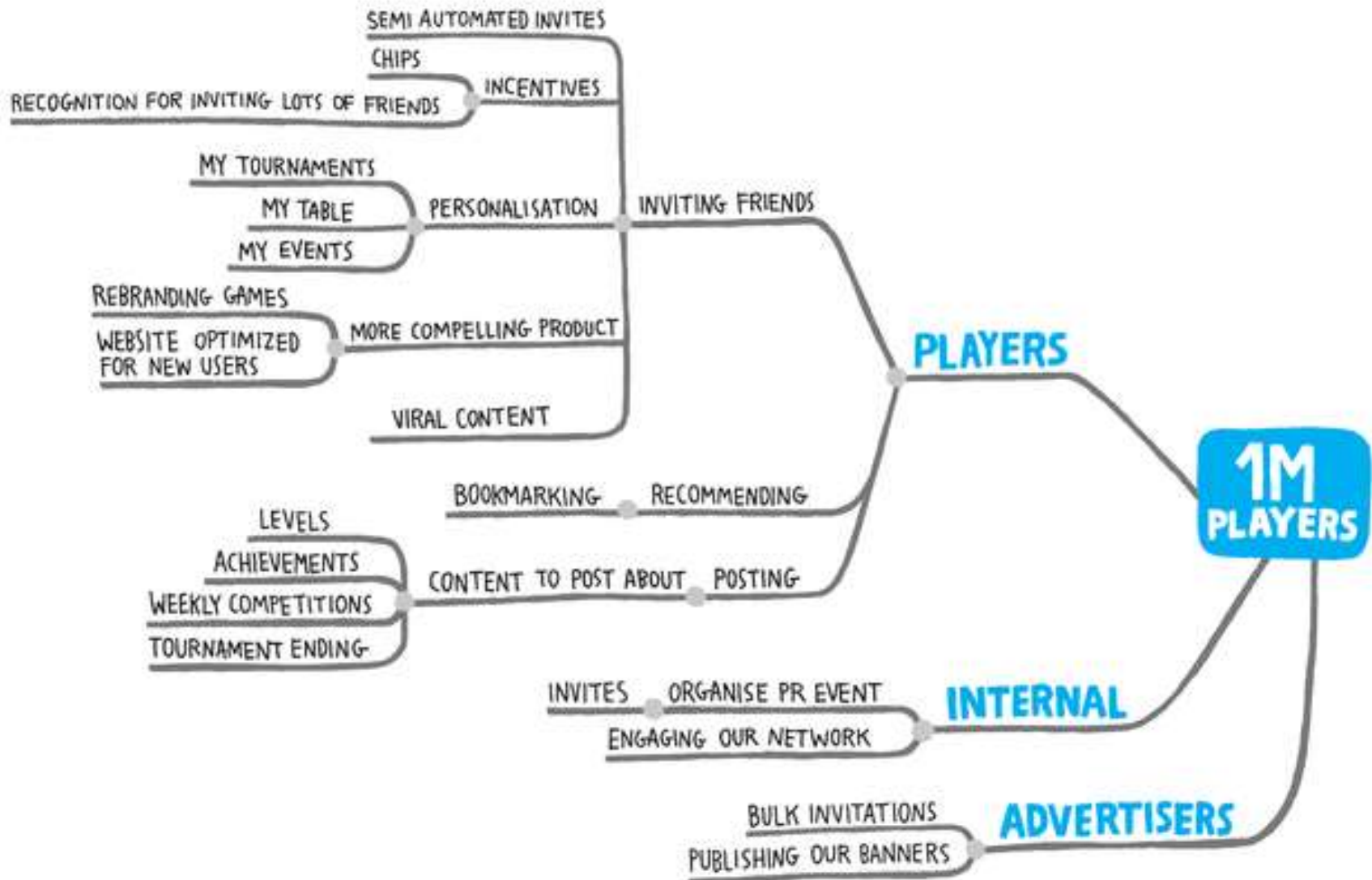
ToDo

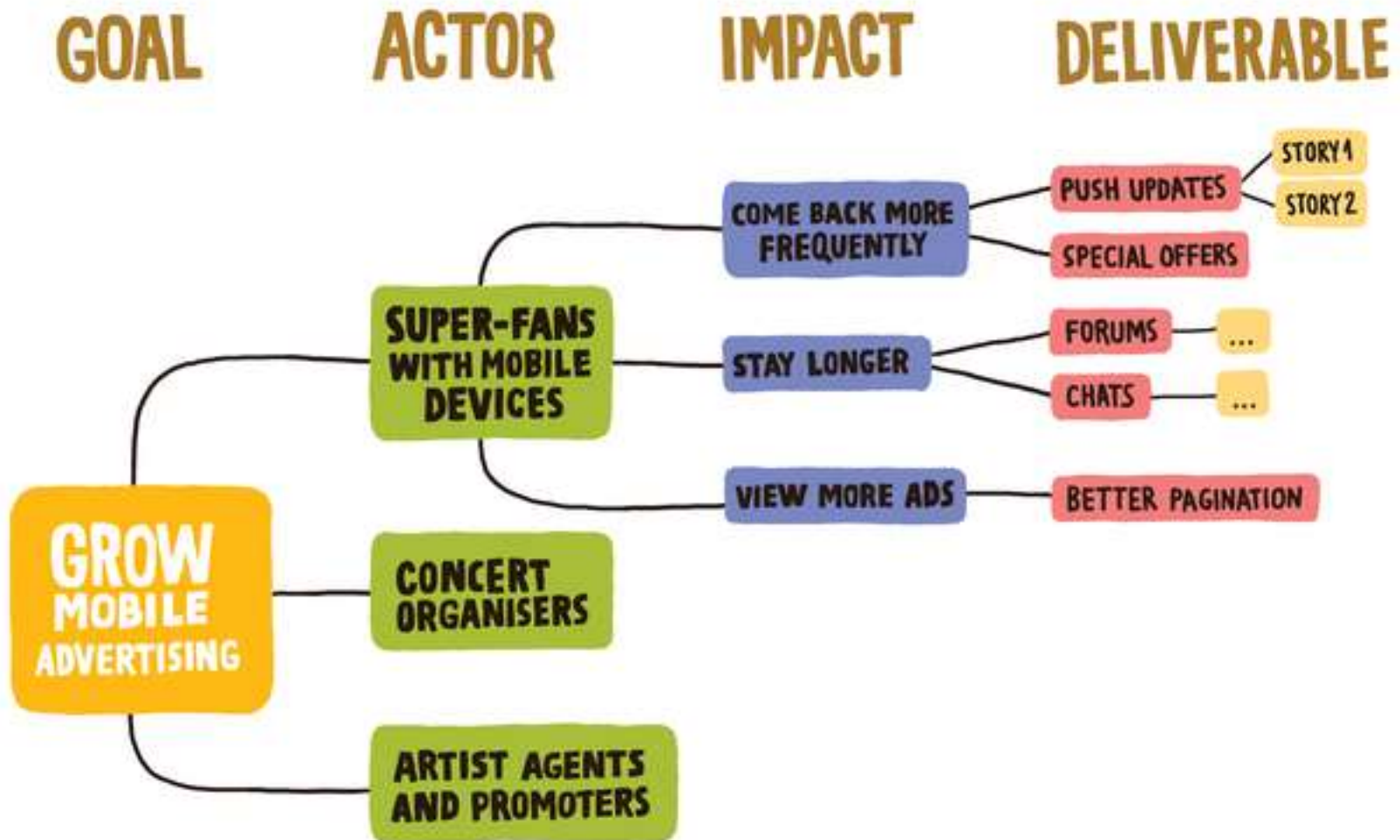
Deliverables

Impacts

Actors

Goal





# Impact Mapping

- Place first milestone goal at the centre of the map and connect it to a few high-level deliverables.
- Scrutinize actors and their impacts :
  - Is it realistic that the feature will contribute to the impact?
  - Is the impact valid for the actor?
  - Will the impact really contribute to achieving the goal?
- Ideate divergently and find alternative ways to reach the impacts.
- Identify key priorities and look for:
  - Constraints
  - Show stoppers
  - Low-hanging fruit; easy to do but yields high return
  - Assumptions to be tested.
- Discuss what will be built or done, i.e. the deliverables:
  - What is the simplest way to support this activity?
  - What else could we do?
  - If we're unsure about the assumption, what is the simplest way to test it?
  - Could we test it without software?
  - Could we start earning with a partly manual process?
- Visualise importance, priority, grouping or impact by using colours, letter type and size, position, outlines, shapes, symbols such as asterisks

# Value chain and impact map



To summarise; Value in use is the perspective that the value of a product or service doesn't exist until it is being used

(before that it is only a value proposition)

# Group discussions

- Which values does X provide?
- And how does value relate to human-centred design?



# Group discussions

- Discuss which value is provided by:
  - Shoes
  - A sports car
  - Traffic lights
  - Broken traffic lights
  - A clock
  - A smartphone
  - A prison

# Group discussions

Discuss the value which the service in your project offers

- What is the value proposition?
- How is the value delivered?
  
- Also discuss in which ways the service is co-produced by customers and the service employees/products?

# Group discussions

*In your redesigns:*

- How can you make sure you deliver the value you think that you deliver?
- Which value do customers expect to get from using your system?

# Round-up

Value in use and human-centred design

# Converging mind-sets

- The service-dominant logic perspective means that (service) marketing and management in earnest are taking the user-centred perspective to heart
  - Design has been working in a user-centred fashion for decades and are experts in understanding people's needs and adapting things according to these needs
  - This means that for the first time business on a large scale are starting to look at design as something more than styling, and see the design process as something which can give a competitive advantage
-

- “Design is so central and at the forefront of the most interesting work in digital that simply hiring it in when you need it, if you need it, is not really a good long-term game anymore /. / [i]nvesting in it and making it part of you is something that’s sustainable and trustworthy and believable to your clients.”

*Fjord CEO Olof Schybergson*

# Value in use in human-centred design

- The notion of value in use offers designers a language to discuss the design perspective in a more business-like fashion
- Value in use very similar to value as experience (traditional design perspective)

# Value in use in human-centred design

- It is also a good starting point for those new to design in knowing what to focus on when they start their design efforts and can guide all stages of the process:
  - User research (what is the desired value?)
  - Ideation (how can we deliver the desired value?)
  - Prototyping/testing (are we delivering what we think we deliver? do we have all the components needed to deliver what we want to deliver?)
  - Implementation (keeping an eye on that we don't obscure the value through late changes)



# Contents of this lecture

- Introduction to the concept of value in use
- Discussion in groups on value in use
- Round-off; value in use and human-centred design
  - Optional literature accompanying this lecture:
    - Vargo, Stephen L. & Lusch Robert F. (2004). Evolving to a new dominant logic for marketing. In *Journal of Marketing*, 68 (January), 1-17.
    - Vargo, Stephen L. & Lusch Robert F. (2008). Service-Dominant Logic: Continuing the Evolution. In *Journal of the Academy of Marketing Science* 36, 1-10
    - Sandström, S., Edvardsson, B., Kristensson, P & Magnusson, P. (2008). Value in use through service experience. In *Managing Service Quality*, 18(2), 112-126.

# Value in use

What is value in use?

# Framework for understanding value in use

- Service dominant logic
  - Theoretical framework from service marketing and service management
  - Developed from a company perspective
  - Service as a perspective on economic transactions
    - Rather than the opposite of goods
    - IHIP

# Service dominant logic

- “Service is the fundamental basis of exchange”
  - Service as a perspective on value creation
  - Value is defined by the customer
  - Companies can only offer value propositions
  - Services are co-created by the provider and customers
  - Focus on relationship between provider and customer

# Companies can only offer value propositions

- If it is the customer who decides if what we offer provides value, this means that we can only offer what is called a value proposition
  - Value proposition = The value we think we can provide for a customer
- A company thus needs to focus on having all the pieces needed to deliver value in place
  - Products
  - People
  - Routines

# Companies can only offer value propositions

- Pizza salad land



# Companies can only offer value propositions

TORSDAG 21 JANUARI 2016 Dagens namn: Agnes, Agneta Årets Dagstidning 2015.

# AFTONBLADET

Stockholm -9° VÅDER

PETER KADHAMMAR  
Öppna länder öppnar upp för fler genidrag

Start Sport Nöje TV Ledare Kultur A till Ö Följ/Bevaka Logga in Köp PLUS

## KULORNA SOM KRÄVS FÖR DET OVÄNTADE?

Nu även för nystartade företag!

Företagskredit upp till 1 000 000 kr för 195 kr/mån  
Läs mer och ansök online på 60 sekunder >>

**SVEA**  
EKONOMI

**SENASTE NYTT**

William och Elsa mest populära namnen 09:55  
Barnvakt misstänkt för våldtäkt 09:01  
Smällare på Borås-skota polisutreds 08:45  
Nordström: Det känns väldigt bra 07:46  
"Tjuv" var sömning solariekund 06:31  
Visa fler »

**PLUS**

**PLUS** Doldisarna som lyft ditt SHL-lag 09:58  
**PLUS** Ekonomen: Ta ut din pension nu 09:50  
**PLUS** Unika tips varje dag 09:11  
**PLUS** Powerplay:

## Kommentarer nere på Aftonbladet

• På grund av tekniska problem ligger Facebook-kommentarerna nere

# EXTRA



## JUST NU: "Putin kan ligga bakom mordet"

**LIVE-TV+TEXT** Brittiska uppgifter: Kan ha gett order om att mörda avhoppade spionen

**TV AFTONBLADET**

Helt livsavgörande att du gör det här  
**TV BOOM** Det här får tjejer inte missa ✓ Allt du undrat om åkomman

**LIVE-TV: Ungar i björnhonans ide**  
Här kan du följa livet i björnidet – i direktsändning

**MEST LÄST IDAG**

Svenska knuffades framför tåg i Berlin  
**VIDEO** 28-åringen hade bara varit i

**CASINOSTUGAN**  
Här kan du vinna i lugn och ro  
Öppna konto

ANNONS  
Annans från **resoguiden.se**

All inclusive-hotell för vuxna Tulum, Fritidsresor  
Populärt all inclusive vid Fritidsresor

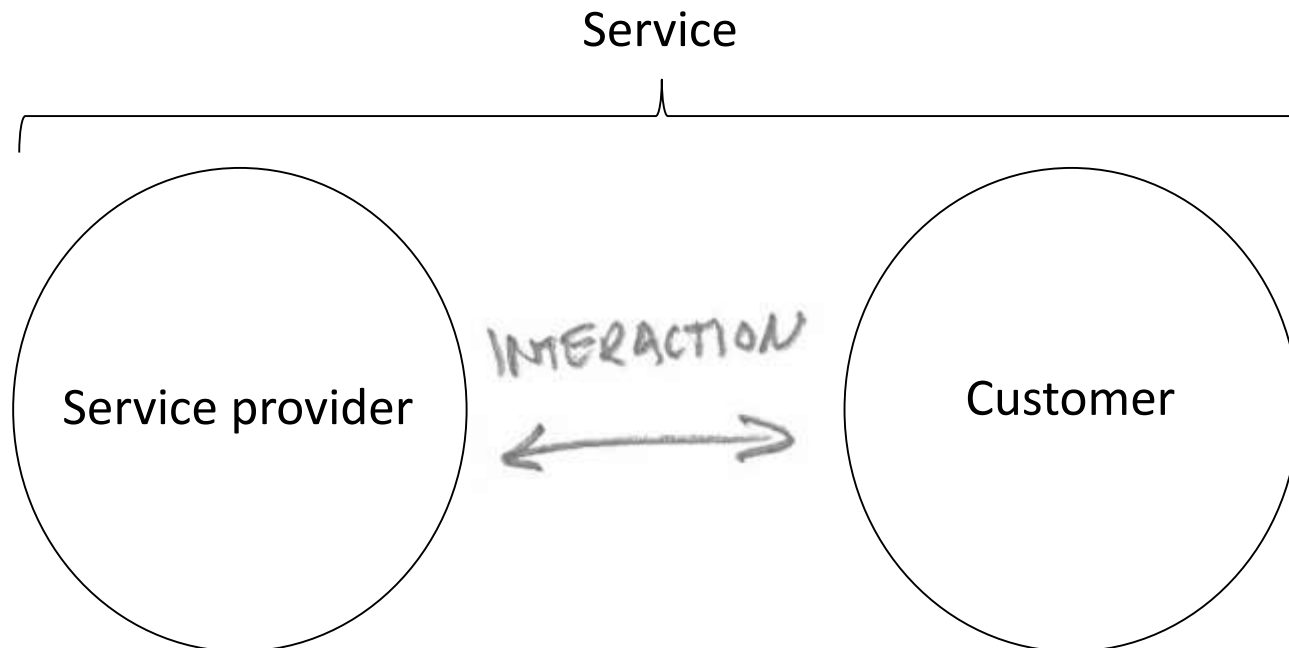
TIN BIEBER THE WORLD TOUR  
JUSTIN BIEBER  
Mamma Mia! THE PARTY

# Services are co-created by provider & customers

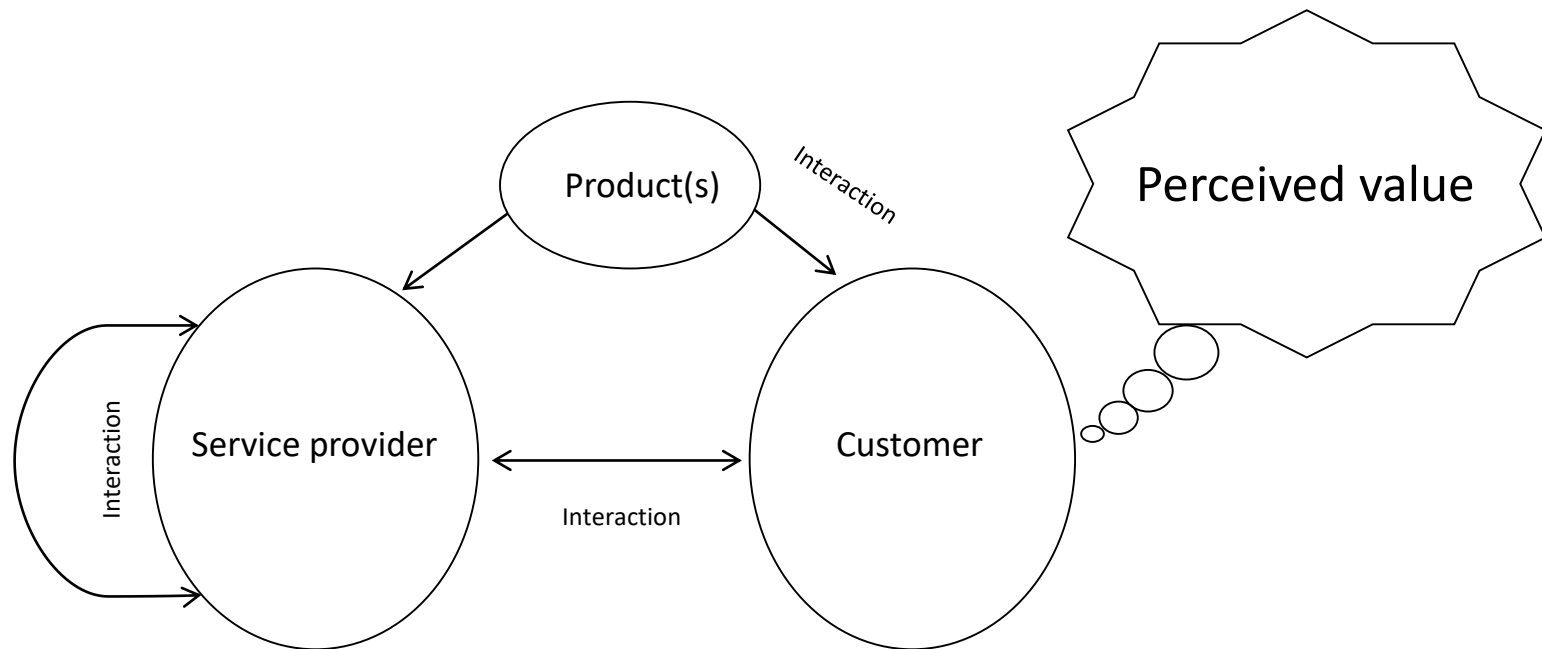
- Since companies can only prepare the prerequisites for a service, the role of customers in realising the service becomes interesting
- As the customers need to play an active part in having a value delivered to them they become co-creators of the service
- This means that a service cannot happen without the participation of both provider and customer
  - This is not self-evident as one can think, at least not for traditional marketing theory



# Sidenote: service logic (Grönroos)



# Sidenote: service logic (Grönroos)



# Focus on relationship between provider and customer

- All this leads to a focus on building a relationship with the customer over time so they become returning customers
- If we focus on building a relationship it becomes important to;
  - Deliver the value customers expect
  - Be proactive – values shift
  - Make sure the experience of getting the value is right, contextual + preferences vary

# However!

- Service dominant logic is not the only perspective arguing along these lines
  - Service logic
  - Customer-dominant logic
- Service dominant logic is however the most well-spread

Any final questions?