tarigo

Product Value Curves

Visualising product performance and
competitor comparisons

Introduction

Strategy is about deciding where you want your business to go and deciding how to get there. Understanding your competitors and how your product stacks up against them will impact your product strategy.

The Value Curve Canvas is a diagnostic tool which enables you to do two things:

- Evaluate how well you're performing and competing on the 'factors of competition' as compared to your competitors, and
- Helps you determine future product roadmap items and guides investment decisions.

Value curves are a great visual way of analyzing how our product compares with the competition.

They help the product manager build a business case for investment.

Value curves are region, segment and time bound.

The Value Curve Canvas

Let's step through a value curve canvas so you are able to complete your own for your products. We need to prepare our canvas with the right information.

We start by:
- Writing our product name, the segment and region we're analysing.
- In this example, we're going to be using **product management central** for **PM teams** in the **UK**.

Then we label the axis':
- The x-axis is for "factors of competition" and
- The y-axis is for the scores.

Factors of competition are also referred to as attributes and include things like:
- Operational efficiency
- Cost effective training
- Ease of use
- Ease of implementation and
- Mobile app

Next, we list the top competitors for our product, so we know who to compare ourselves against. Let's just say our competitor is face to face product management training.
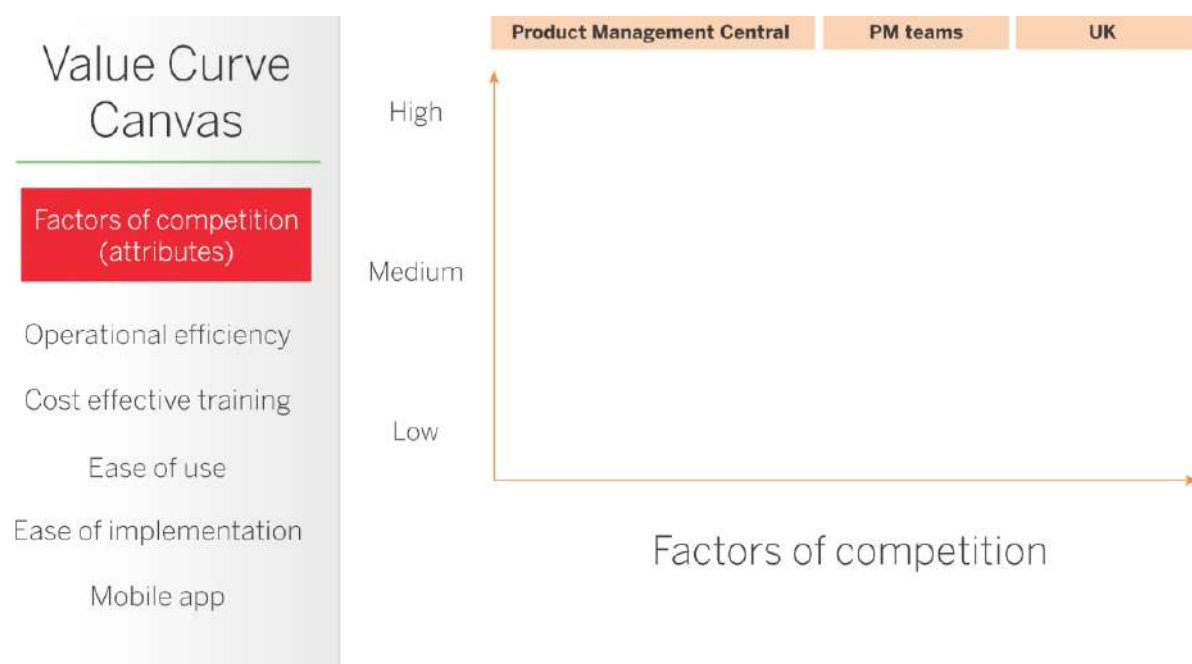
Comparing Product Performance

Completing the value curves

Now that we have a good understanding of the factors that are driving the competitive landscape, let's dig deeper into our product's value curve from the perspective of the customer.

There are five steps to completing your value curve canvas:
Step 1: Map out your target factors of competition or attributes.
Step 2: Prioritize the factors of competition based on what your customers value most highly.
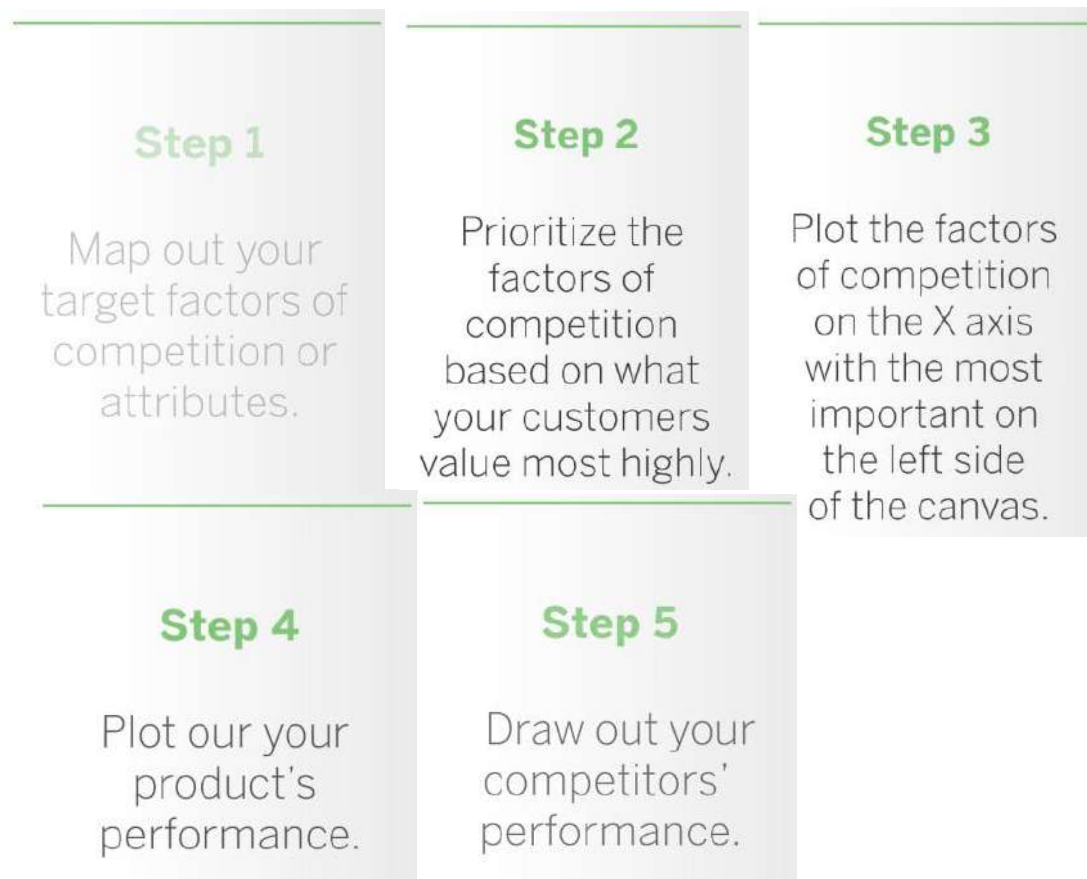**Step 3:** Plot the factors of competition on the X axis with the most important on the left side of the canvas.
Step 4: Plot your product's performance.
Step 5: Draw out your competitors' performance.

In our example, the competition scores well in some of the key areas that deliver value to the customer, and on factors 2 and 3 both solutions are fairly well matched.

We can use both value curves to identify our own weak areas and plan where is going to be best to invest, improve and develop.

| Step 1	Step 2	Step 3
Map out your target factors of competition or attributes.	Prioritize the factors of competition based on what your customers value most highly.	Plot the factors of competition on the X axis with the most important on the left side of the canvas.
Step 4	**Step 5**	
Plot our your product's performance.	Draw out your competitors' performance.	

The Result

These insights are the starting point of making our product more competitive, to meet the needs of our target market.

We can clearly see in the picture below, that the factors of competition that matter most - our competition is almost equal to us. This means that some may find our product less compelling then the alternative, the competition.

Now, we can review our roadmap and ensure we're investing in the right product enhancements and we can justify the investment in our product.

Remember, the market is changing continually, so we need to complete this exercise on a regular basis!

Also, it's a good idea to do this with a group of cross-functional colleagues and then test your assumptions with real customers. Gaining validation of the performance of yours and the competitions products, with regard to the target factors, means you are creating accurate insights instead of just guessing!
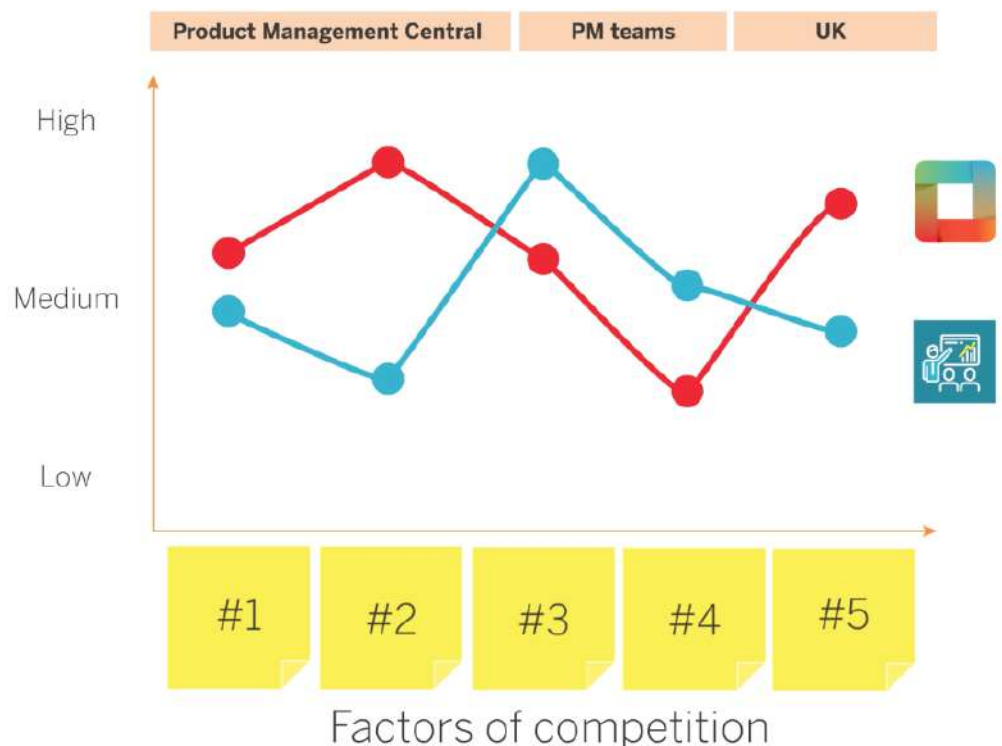
Comparing Product Performance

Conclusion

To practice this, complete a value curve for your product aiming at a particular segment within a specific region, and then incorporate what you've learned into your product roadmap.

We want to enhance our product development strategy as much as possible so that our investment cost is as effective as it can be. In return we see more wins in the market and therefore generate more revenue for the company.

In an ideal situation this would yield a sizeable return on investment that increases the profitability of the product. We do not want to be making investments that our customers see little to no value in, which is why when we perform these exercises, we need to validate the results and information inputted by cross-checking with colleagues internally as well with customer research!

The Value Curve Canvas
enables you to:

Helps you determine future product roadmap items and guides investment decisions.

Evaluate how well you're performing and competing on the 'factors of competition' as compared to your competitors.