

# Bridging Design and Entrepreneurship through the People Value Canvas

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## ABSTRACT

Design and entrepreneurial processes are converging to create new value together in today's market. Such an intersection of the two domains is evident from the increasing number of designers that are operating within the entrepreneurial landscape. Both processes are noted to have a high level of resemblance. However, despite the similarities, there are distinct differences in their respective focus. Design processes are user centric while entrepreneurial processes are opportunity driven. To bridge the value that design can bring to the entrepreneurial process, there has to be a way to communicate a shared value proposition that encompasses user insights within the business context. People Value Canvas (PVC) comes forth as an extension of the Business Model Canvas (BMC) and represents an opportunity to blend the priorities of both processes. This paper will evaluate its effectiveness in fulfilling such a purpose and also propose an adaptation to enhance its role.

## Keywords

design, entrepreneurship, value proposition, user centric, business model.

## INTRODUCTION

Entrepreneurship and design are the buzzwords of the business world. The spotlight on entrepreneurship has been growing as it takes on increasingly important role within the economy, driving growth and job creation (Garcia, 2014). Design has also taken roots within the business context in recent years and is recognized as a leverage to increase competitive advantage (Martin, 2009). Operating within the same domain, it is inevitable that design intersects with the entrepreneurial processes. Dissecting both the entrepreneurial process and design process, it is clear that there are a lot of similarities between them (Garcia, 2014). The similarities allow for an ease of these cross-disciplinary activities.

Such a trend is evident from the growing presence of designers operating in the entrepreneurial landscape. There are more and more designers working within the business context, using design methods and tools to innovate new ventures and strategies in the front-end development phases (Wormald, 2015). This is a departure from the conventional role of designers that is

centered on detailing solutions at the later stages. Additionally, it is also noted that there are increasing numbers of designers that are becoming entrepreneurs themselves and taking charge of creating a viable and holistic product service system in the market (Kleinsmann, 2013).

As design and designers move into this new domain, the value that they bring has to be projected within the context. However, there are significant differences between the key focus of design process and entrepreneurial process. Design processes are user centric while entrepreneurial processes are opportunity driven. This will create significant obstacle in building and communicating a shared value proposition that encompasses the priorities of both processes. Therefore, there is a need to find a way to bridge the value of design's user considerations into the business processes. This will allow for better integration, communication and efficiency.

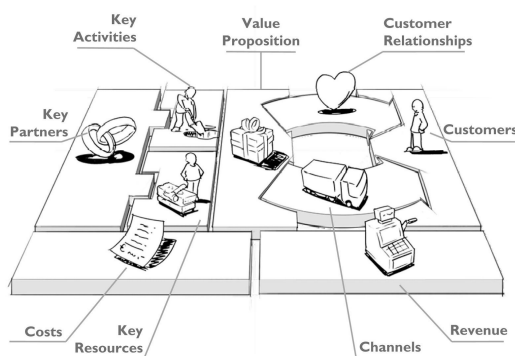
This paper will first review the importance of including a user centric focus within the entrepreneurial process. Thereafter, the People Value Canvas (PVC) and its use will be introduced as a tool for bridging user insights into the entrepreneurial process. This will be followed by an evaluation of its strengths and limitations in fulfilling the role of strengthening design and designer's role in the entrepreneurial context. An adaptation will then be proposed as an enhancement to PVC's process.

## VALUE OF USER-CENTRIC FOCUS

Entrepreneurship is largely characterized by the activity of generating and delivering new economic opportunities; as such it operates with a level of uncertainty and risk (Wennekers & Thurik, 1999). Business modeling is a popular tool for entrepreneurs to analyze, validate and construct their perceived opportunities on a staging platform before committing resources to its development. The Business Model Canvas (BMC) is currently one of the most known variant of such a tool. It details nine interdependent building blocks that shape the structure, operations and product offerings of the business as shown on Figure 1 (Osterwalder & Pigneur, 2010). Its positive benefits include offering a comprehensive overview, practice-orientated approach and visualization of

communication (Garcia, 2014). However, it is noted that BMC is largely focused on value gained from the company's perspective and centered on financial value (Wormald, 2014).

Such a practice of conceiving new ventures in the silo of the business perspective is no longer sufficient in the world today. In 2012, up to 90% of venture-backed startups did not succeed (Feinleib, 2012). Crafting a financially viable business model to find the perfect business model fit is no longer the guaranteed route to success. Connecting with users and having user centric process is primed to be the new addition to business modeling that can help entrepreneurs sustain and differentiate the value of their business (Martin, 2009).



**Figure 1 showing the nine building blocks of the Business Model Canvas (Osterwalder & Pigneur 2010)**

Many entrepreneurs found the transition to attract and acquire mainstream customers a struggle (Moore, 2002). A user-centric focus that captures the needs and motivations of people reduces that concern and allows for long-term sustainability. Creating new value with users consideration will generate products that have better relevance and in return, increase the willingness for use and purchase. In fact, a product-market fit where users stand at the core of the value proposition has emerged as one of the key criteria of testing the success of a business opportunity (Blank & Dorf, 2012). An attempt to understand the users better will drive solutions that resonate with them more deeply in the long run as compared with producing ideas that only spur an initial interest.

A user-centric focus is also the driving force for innovation that will enable entrepreneurs to differentiate themselves from competitors. Design tools and processes are often geared towards extending boundaries and creating novel approaches through the knowledge of users (Osterwalder & Pigneur, 2010). After all, users are the true experts of their experience and empathy with users draws out their latent and tacit knowledge (Sanders & Stappers, 2014). Such insights dig deeper to find information that is otherwise not articulated. In arriving at this depth and breadth of user insights, businesses will not only be creating solutions

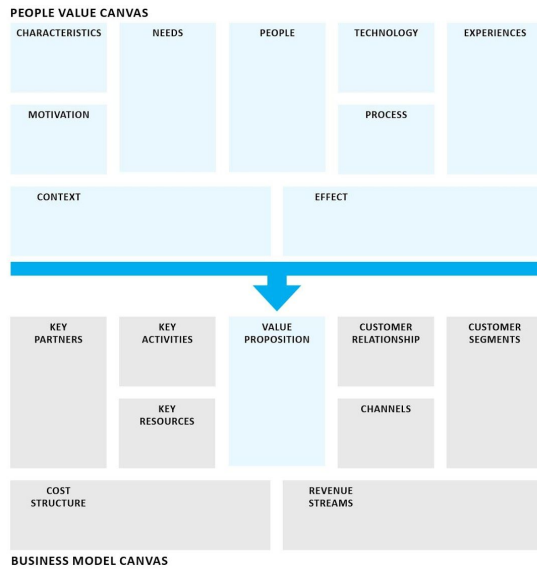
that are relevant but also solutions that are new and different.

Such a shift towards user centricity within the entrepreneurial process has to be matched with changes in tools that can align with accommodating the new user centric components. The user insights that design and designers bring have to be better integrated and communicated within the entrepreneurial process. In recent years, adaptations to business modeling tools like BMC had supported such a shift (Blank & Dorf, 2012; Dee, Gill, Livesey & Minshall, 2011; Osterwalder, Pigneur, Bernarda, Smith & Papadacos, 2014; Wildevuur, Van Dijk & Schot, 2014). Most of these adaptations like the Value Proposition Canvas of BMC serve to establish an overview of user's needs from the company's and product's perspective. But they lack sufficient depth in user context and perspectives (Voorhorst, 2013; Wildevuur, Van Dijk & Schot, 2014). PVC represents an alternative that begins with and is centered on the user. There are two main features that differentiate PVC. Firstly, it offers a framework that structures user insights from a user point of view. Secondly, it allows staging of proposed implementation with consideration to the user's perspective.

**PEOPLE VALUE CANVAS**

The PVC originated as a tool to support designers and relevant stakeholders in the design of social innovation. It provides a framework to structure user insights with the goal of directing an understanding and emphasis on the user in innovation processes. It also caters to the development and validation of possible concepts drawn from the user insights. Even though PVC was constructed with social innovation as a focus, Wildevuur, Van Dijk, Hammer-Jakobsen and Ayvari (2015) had encouraged its use as a human-centered approach to value creation in different domains.

The PVC follows the main structure of the BMC and is made up of nine building blocks. It also follows the working principles of the BMC, where the building blocks are interdependent and are encouraged to be revisited and refined iteratively as information builds up. Most importantly, PVC is designed to contribute towards the BMC as a user-centered input. Wildevuur, Van Dijk, and Schot (2014) had intended for the output of PVC to be a consolidated user-centric value proposition that will feed into the value proposition building block within the BMC as shown on Figure 2. Value proposition being the starting point of the BMC will then be integrated with these user-centric elements to influence the business modeling process. In such a way, there is a blend of the user-centric element of the design process within the business context of the entrepreneurial process.



**Figure 2 showing People Value Canvas's relation to Business Model Canvas**

Looking at the use of PVC, there are two distinct sections of the tool that frame the two purposes it aims to fulfill. The “user insights” section as shown in Figure 3 structures the user needs and preferences in their use context. The “solutions” section as shown in Figure 4 aims to use the user insights as a reference point to construct and validate possible user driven implementations with a technology focus.

### User Insight Section

#### Building Block I: People

The PVC begins with defining the target users with clarity. This streamlining encourages a focused uncovering of the users and also aid in better communication with stakeholders.

#### Building Block II: Needs

The needs of the users are then expounded on different level of abstractions from the user's perspective. This brings attention to latent and tacit needs that present unmet value in current products and services.

#### Building Block III: Characteristics

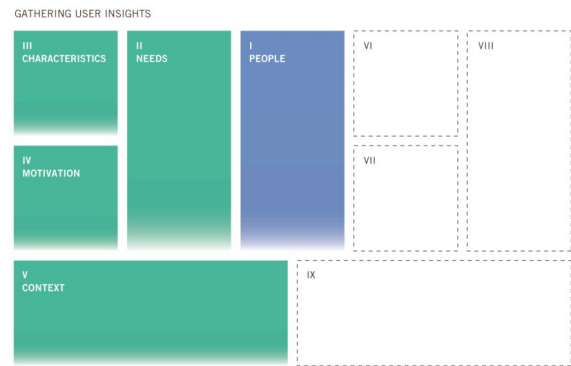
Additional qualitative information that concerns emotions, personalities, and temperaments are generated to represent the diverse personal aspects that exist within different user context.

#### Building Block IV: Motivation

Extrinsic and intrinsic drivers that influence one's intention, behavior and action towards their needs are then further evaluated.

#### Building Block V: Context

Finally, environmental, physical or psychological parameters surrounding the user's current experience are mapped.



**Figure 3 showing the “user insights” section of People Value Canvas (Wildevuur, Van Dijk, Hammer-Jakobsen & Ayvari, 2015)**

### Solutions Section

#### Building Block VI: Technology

A feasible technology platform starts the solution generation, providing the vision and scope.

#### Building Block VII: Process

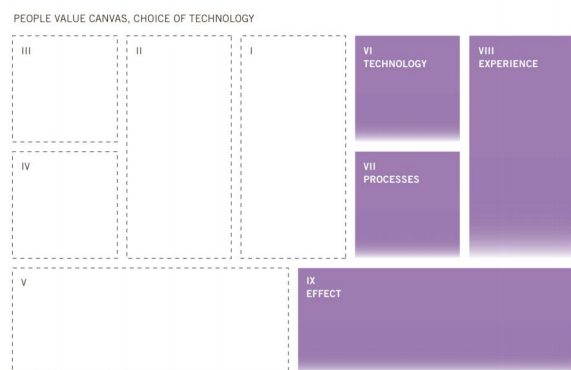
Touchpoints within the technology platform are shaped into opportunities for implementations. The ideal user interactions with the touchpoints are developed.

#### Building Block VIII: Experience

Following that, the ideal scenario of use experience and perceived value that users derived from the proposed solution implementations are generated.

#### Building Block IX: Effect

The final step charts projections about possible long-term impact on the user as well as the sustainability of proposed solution.



**Figure 4 showing the “solutions” section of building blocks in People Value Canvas (Wildevuur, Van Dijk, Hammer-Jakobsen & Ayvari, 2015)**

### DISCUSSION

#### Strengths

##### User Insights Organisation

The PVC makes it easier for designers to present and communicate user insights. It helps designers to organize the otherwise complex packages of user research through offering a structured step-by-step approach. Such an approach also scaffolds the essential

elements of user insights with a logical flow where increasing levels of abstraction and parameters are introduced. As such, it affords for an ease of communication and understanding as information is addressed in increasing complications and scale.

### User Insights Driven Solutions

The PVC also extends the value of user insights into the development of solutions by mapping it in a parallel space. This provides an easy point of reference to generate ideas that are based upon the user insights. It also creates opportunities where validation of solutions can take place by assessing the aspects of the solutions with the insights. Furthermore, by taking the step to translate the insights into more tangible outcome, it makes the benefits of a user-centric process more visible. This allows for an easier integration with BMC as it these solutions can be represented and fitted in BMC's building blocks.

### Linkages To Entrepreneurial Domain

In addition, by shaping the PVC around the working principles of the BMC, it makes the tool familiar to the stakeholders within the business domain. This prompts better interpretation of the tool and also greater acceptance of its use. By linking it together with the BMC through the shared value proposition, it also directly pushes the user centric information into the core of the entrepreneurial process.

### Limitations

#### Isolated Processes

However, the PVC is not without its limitations. One of the key limitations comes from the fact that the PVC and BMC still act in relative isolation from each other. The connection between both processes only exists at the end of the PVC process and the start of the BMC process. As both processes are iterative in nature, built up and discovery of new information within the BMC can also likely influence the PVC solutions building blocks. Such an iterative feedback loop can be beneficial in further refining the solutions. But in the current model, such a feedback loop is not largely visible.

#### Technological Focus

Another limitation of the PVC comes from its technological focus that it has as a key driving force of the solution. This reduces the scope of the solutions that can be generated and also edge out the application of PVC in industries that does not deal with technological innovations.

### Adaptation

The PVC and the BMC should be explored iteratively as a set of eighteen building blocks in the same order of visiting the PVC prior to the BMC as shown on Figure 5. Instead of the current one directional flow of PVC to BMC, there can be a two directional interaction between the two tools, where business processes can also act to influence the developments of the PVC's

solutions building blocks. Additionally, the technology focus of the PVC's solution building blocks should also be shifted when applying to enterprise that operates outside of the technological domains. A discussion on other feasible innovative platforms can be a replacement of the technology platform that is prescribed at the start of the process.

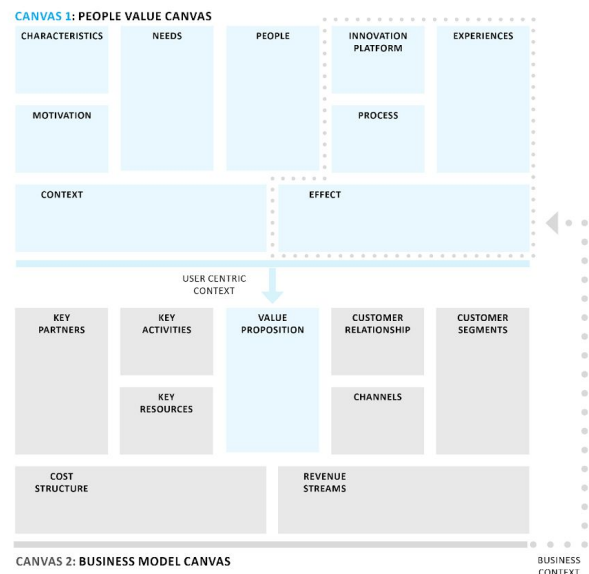


Figure 5 showing an adapted iterative model of PVC and BMC

### CONCLUSION

Like any cross disciplinary processes, there are different stakeholders involved and different voices that are urging to be heard. Bridging design and entrepreneurial processes is not without its difficulties. However, such integration goes a long way in creating not only viable products and services in the market but also solutions that are more meaningful and valuable to users. The PVC can fulfill the role of connecting the user centric information of design processes with the business elements of entrepreneurial processes. It provides a framework to structure user insights and supports user-centered conceptualization. The output is then linked to the value proposition of the BMC, where the value of user centricity is further expanded upon within the business operations.

The PVC can also be seen as an effective communication tool between designers and entrepreneurs where thought processes of both domains are laid out in clarity. This is also largely supported by the fact that the same working principles and ordering of information govern both tools. This facilitates a standardized way of interpreting content that is both efficient and effective.

Lastly, the PVC as a relatively new tool needs to be more extensively researched and used in a wider range of entrepreneurial context for a better understanding of

its effectiveness. While its current application within the social innovation sphere had yielded positive responses, its operations in the wider range of entrepreneurial practices needs to be uncovered.

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