



PT. 2
DESIGN FOR ADDED
CUSTOMER VALUE

WORKSHOP OBJECTIVES

- Detail your customer's pain points, needs and requirements
- Understand how Product-as-a-Service can help you deliver added value to your customer
- Develop a first compelling Product-as-a-Service offering

FACILITATOR'S GUIDE TO THE WORKSHOP

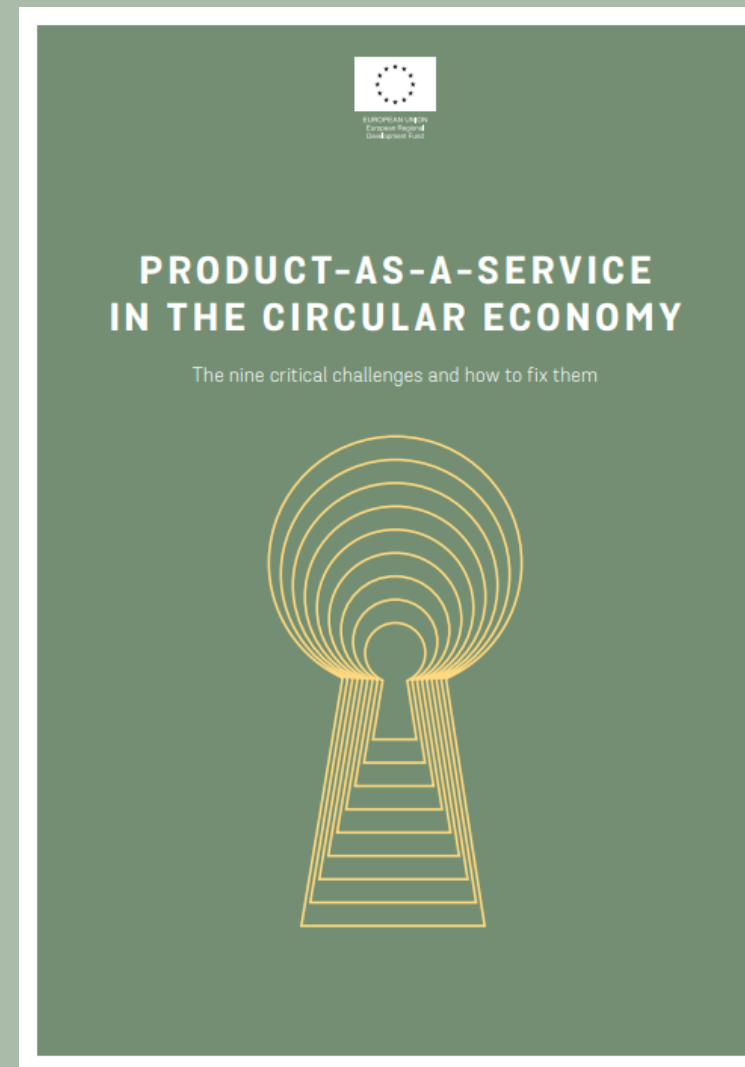
Download our facilitator's guide
to access information that will
help you facilitate a successful
workshop



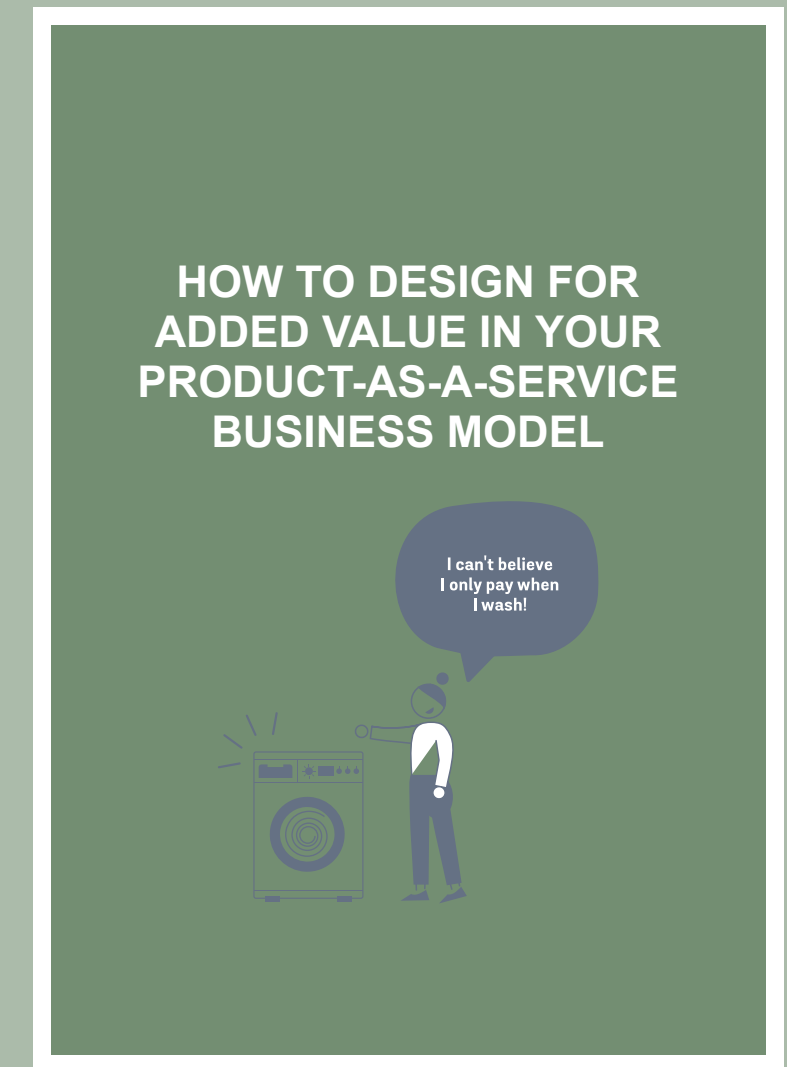
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FACILITATOR'S GUIDE

LEARN MORE ABOUT PRODUCT-AS-A-SERVICE



<https://www.stenarecycling.se/en/circular-consulting/inspiration--insights/product-as-a-service/download-paas/>



<https://www.linkedin.com/pulse/how-design-added-value-your-product-as-a-service->

PARKING LOT FOR QUESTIONS AND POINTS RAISED



Park sticky-notes here

Use this space to collect points raised or questions asked that do not relate directly to the exercise

EU TAXONOMY CHECKLIST - CIRCULAR ECONOMY



Assess your alignment with the circular economy definition of the EU Taxonomy

The transition to a circular economy is one of six environmental objectives in the EU taxonomy regulation. The EU taxonomy definition of the circular economy means an economic system whereby :

- The value of products, materials and other resources in the economy is maintained for as long as possible, ...
- ... enhancing products, materials and other resources efficient use in production and consumption, thereby reducing the environmental impact of their use, ...
- Minimising waste, and ...
- ... minimising the release of hazardous substances at all stages of their life cycle, including through the application of the waste hierarchy



EU TAXONOMY CHECKLIST - PRODUCT-AS-A-SERVICE



Assess your alignment with the Product-as-a-Service criteria of the EU Taxonomy

The contractual terms and conditions ensure that all the following sub-criteria are met:

- The provider of the service is obliged to take back the used product at the end of the contractual agreement
- The customer is obliged to give back the used product at the end of the contractual agreement
- The provider of the service remains owner of the product
- The customer pays for access to and use of the product, or the result of access to and use of this product.

The product offered through Product-as-a-Service complies with a minimum of one of the following criteria:

- The product lifespan is at least twice the European Union average for the product category under the condition of average use intensity
- The use intensity is at least twice the European Union average for the product category under the condition of an average lifespan
- A combination of the above, where the lifespan times the use intensity is at least twice the European Union average

INSTRUCTIONS

Instructions:

Are you ready to dive into the minds of your target customers? Great, because we're going to take a closer look at how they currently fulfill their "jobs-to-be-done".

Task A: First, think about your target customers and how they currently fulfill their needs. This could be through the dominant market solution or your existing product offering. Add this as your baseline in your template.

Then, describe the activities and experiences of your customer in the baseline by answering the questions in the provided template. Start from when the customer first obtains the product or service and continue all the way until clearance. Use sticky notes to document your answers.

Task B: Next, use dot stickers to label each activity in the customer journey as either a positive gain or a negative pain. This will help you understand how your future Product-as-a-Service offering can improve the gains or reduce/alleviate the pains identified in your baseline scenario. Once you're done, move on to step 2.

Note: Do not describe your Product-as-a-Service offering, this will be done in Step 3.

CREATE THE BASELINE CUSTOMER JOURNEY

1

What does the baseline customer journey look like?

My baseline is: _____

OBTAINMENT

Activities related to how the user purchase and obtain the product

USE

Activities related to how the user uses, manages and stores the product

CLEARANCE

Activities related to how the user clears the product (ie, sells, discards)

Customer activities

How does the user decide if the product is needed or not?
(e.g. discussing with family)

How does the user initiate product use? What gives the first impression? What activities need to be carried out?

How does the user prepare product for clearance?
(e.g. cleaning)

How does the user choose and evaluate different product offers?
(e.g search on the Internet, test different options)

How does the user use the product?
Is it intuitive?

How does the user explore clearance opportunities?
(e.g. compare secondhand sales opportunities)

How does the user purchase the product?

How does the user manage and store the product?

How does the user offer the product for sale? (if done)
(e.g. put it up for sale online)

How does the user obtain the product?

Why would the user revalue the product? Does it somehow feel outdated?

How does the user clear the product? i.e. book pick-up, pass it on to next user.

INSTRUCTIONS

Instructions:

Now that you have a solid understanding of how your customers fulfill their needs today, it is time to start brainstorming about how you can deliver the same function through Product-as-a-Service - but in a much more attractive way.

In this exercise, you will discuss the customer journey baseline created in Step 1 and summarize your key takeaways.

Discuss the questions in the template and write down your thoughts under each question (1-4) using sticky notes.

Keep these insights in mind when moving on to Step 3.

DEFINE KEY TAKEAWAYS

2 Define key takeaways and brainstorm solutions

SUMMARY

1 Look back at the positive experiences (gains) in the baseline scenario. Which are the 1-3 most important ones to your customer?

2 If fulfilling your customer's needs through Product-as-a-Service. How may you still deliver these positive experiences?

3 Look back at the negative experiences (pains) in the baseline scenario. Which are the most 1-3 difficult/annoying to your customer?

4 If fulfilling your customer's needs through Product-as-a-Service. How may you alleviate/reduce the negative experiences?

INSTRUCTIONS

Instructions:

In this step, you will do a first customer journey mapping for your Product-as-a-Service offering.

It's time to put yourself in the shoes of your potential customer and map out their experience from the moment they first consider using your Product-as-a-Service offering to when they cancel or end their agreement.

To complete the exercise, use the trigger questions in template 3a and describe each action your customer will perform throughout their customer journey in template 3b.

Note that this exercise focuses on your customers and their experience. It **does not include** your own actions as a business.

Some things that will help you along the way:

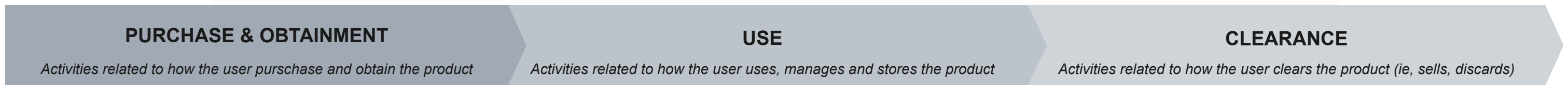
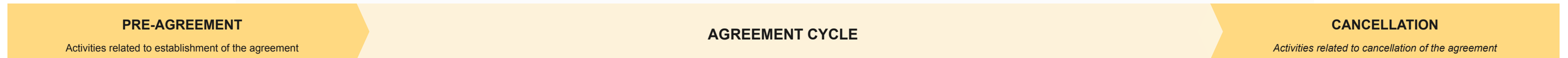
- Keep in mind the gains and pains you identified in Steps 1 and 2 and consider how your PaaS offering can either improve the gains or reduce/alleviate the pains identified. This will help you design an offering that is attractive compared to existing solutions.
- The customer might use your PaaS offering multiple times within one agreement. To illustrate this, you might want to sketch out multiple "loops" in the customer journey.
- It is worth noting that there may be different users involved in different stages of the use cycle. This is especially true if you're selling to businesses rather than individual consumers. Think of the user as the main person involved in the activity the question refers to.

DESIGN THE PRODUCT-AS-A-SERVICE CUSTOMER JOURNEY

3a

Let's envision the customer journey of your PaaS offering

TRIGGER QUESTIONS



How does the user decide if a Product-as-a-Service agreement is needed or not (e.g. discussing with family)?

How does the user choose and evaluate different obtainment offers? e.g search on the internet, test options, based on KPIs set in public procurement process.

How does the user agree or sign-up to the Product-as-a-Service offering?

How does the user obtain the product/service? e.g. it is delivered to the place of use, it is located by the use of an app and then picked-up etc.

How does the user initiate product use? What gives the first impression? What activities need to be carried out?

Does the user need to store the product? If so, how?

How does the user use the product/service?

How does the user handle product failure?

How does the user handle maintenance or upgrades?

How does the user prepare product for clearance (e.g. in case of product swap, maintenance, failure or return)? What activities are needed?

Why would the user revalue the offering? Does the service offering or products included somehow feel outdated? Why?

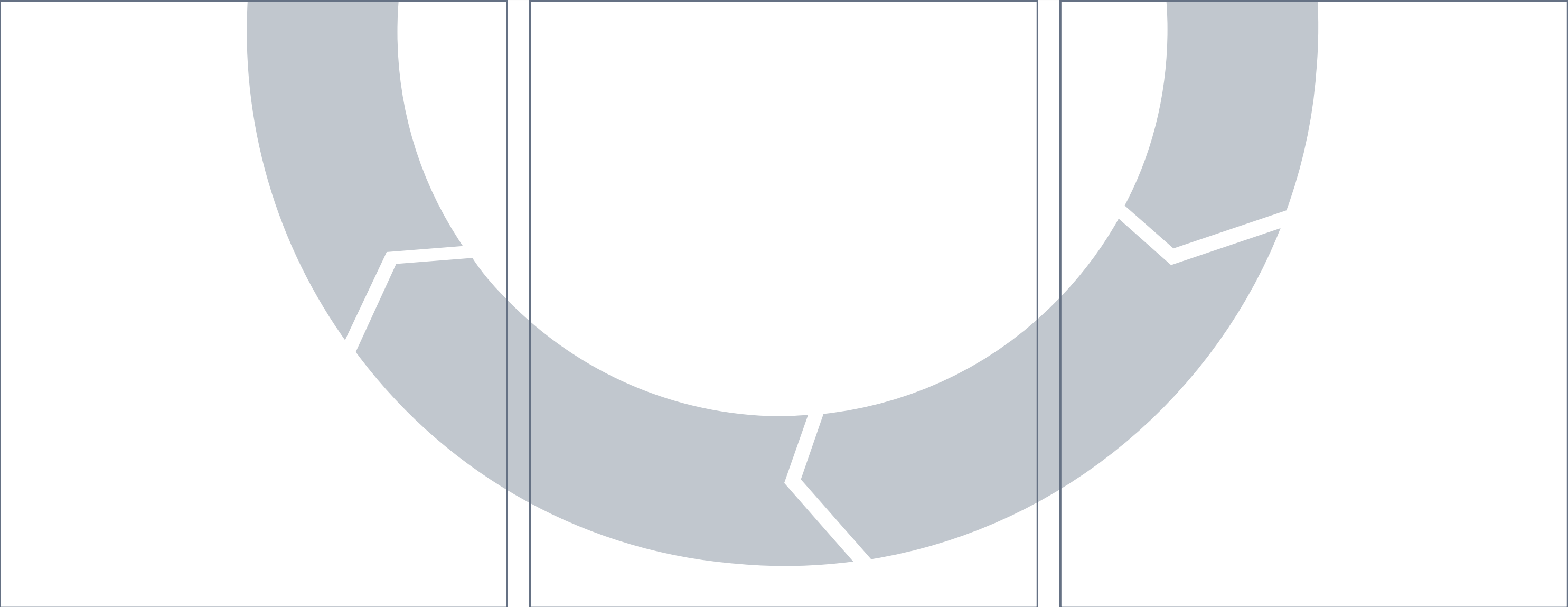
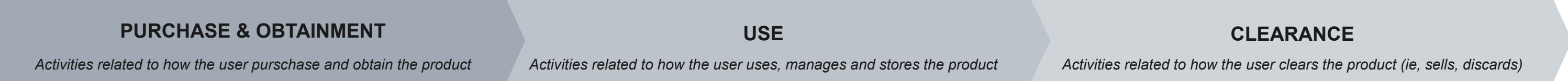
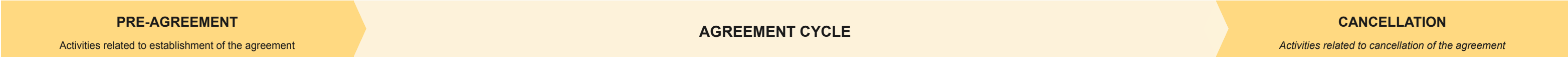
How does the user cancel the agreement?

How does the user clear the product? e.g book pick-up, pass it on to next user.

DESIGN THE PRODUCT-AS-A-SERVICE CUSTOMER JOURNEY

3b

Let's envision the customer journey of your PaaS offering



INSTRUCTIONS

Instructions:

You should now have a first idea of your Product-as-a-Service customer journey, but we are sure it can be improved even further.

In this exercise, you will define the most important takeaways from the customer journey and brainstorm solutions for how to make it even more value-adding for your customers.

Discuss the questions in the template and summarize your thoughts and ideas under each question (1 to 4) using sticky notes.

To answer question 2, use the added value toolbox.

DEFINE KEY TAKEAWAYS



Define key takeaways and brainstorm solutions

SUMMARY



1 Look back at the customer journey. What do you think will be the most important gains for your customer in your PaaS offering?



2 Work through the questions in the added value toolbox. How might you add more gains throughout the customer journey?



3 Look back at the customer journey. What pains do you risk introducing to your customer?



4 How might you remove or alleviate the pains felt by the customer in your PaaS offering?



How might you add more gains throughout the customer journey?

TRIGGER QUESTIONS

Use the trigger questions to discuss!

FINANCIAL VALUE

How might we...

Improve product affordability?

Improve your customer's sense of financial security?

Reduce the risk of unexpected costs?

FUNCTIONAL AND STRATEGIC VALUE

How might we...

Save effort, space or time for your customer?

Relieve your customer from non-value adding tasks such as administration, monitoring or maintenance?

Create value by offering technical expertise beyond your customers' capabilities?

EMOTIONAL AND SOCIAL VALUE

How might we...

Add a feeling of novelty or variety?

Add a sense of security or comfort?

Contribute to your customer's desired status or image?

INSTRUCTIONS

Instructions:

Now that you have the first version of your Product-as-a-Service customer journey, it's time to get more specific.

In this exercise, you will detail what is included and what is not included in your Product-as-a-Service offering. Summarize your thoughts on sticky notes.

Examples of things that could be included or not in a Product-as-a-Service offering are services such as installation, maintenance, insurance, access to expertise, use of digital services, product swaps or upgrades, etc.

5

What is included and what is not included in your Product-as-a-Service offering?

What's included?



What's not included?



INSTRUCTIONS

Instructions:

You are almost finished with designing the first version of your future Product-as-a-Service offering!

Now, it is time to package all the insights from the previous exercises into a neat customer profile and value map which summarizes who your customer is and how your offering meets their needs.

This exercise is divided into two tasks:

Task A: Describe your target customer profile using the baseline scenario.

Use the results from Step 1 and 2 to complete the customer profile in template 6a.

Task B: Define the fit between your PaaS offer and the market in the value map.

Use the results from Step 2, 3 and 4 to complete the value map in template 6b.

Once you're done, make sure to bring the results with you to part 3 ("Identify your core assets") of the Product-as-a-Service toolbox. In part 3, you will explore how your organization can deliver the Product-as-a-Service offering to your customer.

SUMMARIZE YOUR RESULTS - CUSTOMER PROFILE

6a

Describe your target customer profile using the baseline scenario

WHO

JOBS-TO-BE-DONE

FUNCTIONAL UNIT

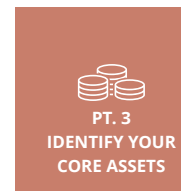
Customer profile



Insert "Gains" associated with your baseline scenario here 🖱️

Insert "Pains" associated with your baseline scenario here 🖱️

SUMMARIZE YOUR RESULTS - VALUE MAP



Once you're done, make sure to bring the results with you to part 3 of the Product-as-a-Service toolbox. In part 3, you will identify your core assets and decide how to access the capabilities your organization needs.

6b

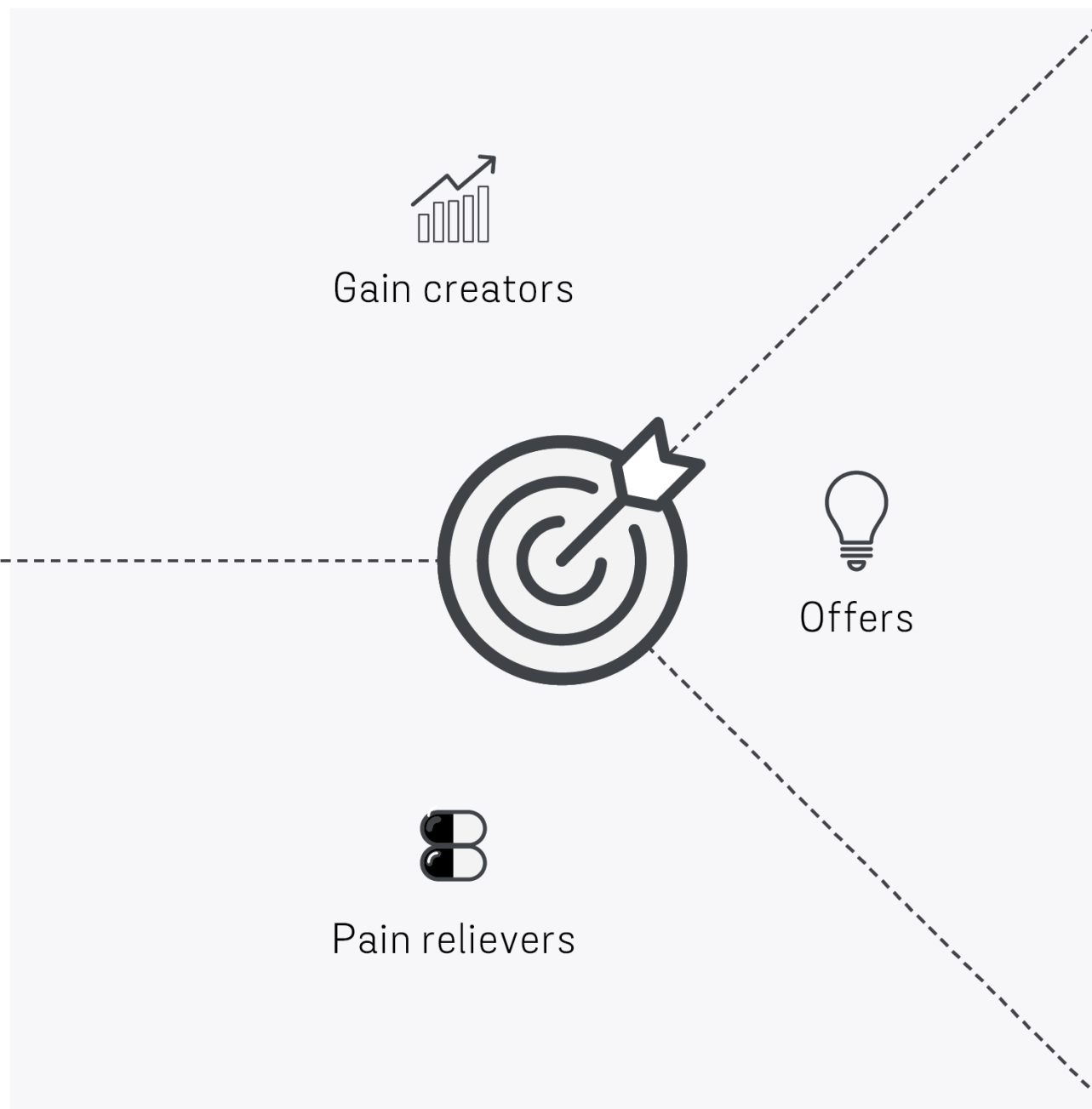
Describe the fit between your Product-as-a-Service offering and the market

SUMMARY

Insert "Gain creators" of your PaaS offering here

Insert "Pain relievers" of your PaaS offering here

Value Map



Describe the service(s) your PaaS offering is built around