Framing Your Competition in a Digital World

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IoTFuse: Conference 2017
Friday, April 21, 2017 / Minneapolis Convention Center / Minneapolis, MN
My promise to you:

You will understand what makes an IoT solution unique, how that broadens the customer value proposition, and how that allows us to reframe our competitive environment.

The approach is brilliantly simple to learn, and devilishly difficult to master. We’re going to use it to build a bridge over a chasm.

Let’s go.

Most of today’s IoT is over here.
An IoT “solution” is really **three** distinct offerings.

1. The **product** itself, embedded with sensors, edge processing, and communication technology.

2. The ongoing **service**, made possible by the combination of collected, transmitted and processed data.

3. The **data** as a distinct aftermarket offering, disconnected from the combination of the first two.
Product value includes: **Functional features** (grip, material, weight, sweet spot), **non-functional features** (branding, colors, sports celebrity endorsements), **“new” electronic features** (embedded sensors with tactile feedback)

Service value includes: **Immediate feedback loop** (self-guided and coach-guided, Hawthorne Effect), **Time-Series Data Analysis** (again, self-guided or coach-guided)

Data value includes: **Aggregate data analysis** (playing habits, equipment performance, coaching efficacy, performance data for fantasy sports)
Product value includes: **Functional features** (value design/patents, efficiency, PSI rating), **non-functional features** (warranty, compatibility), “new” **technical features** (embedded flow and ground moisture sensors)

Service value includes: **Immediate feedback loop** (flow control based on ground moisture, sync with GPS), **Time-Series Data Analysis** (change in water usage, cost savings, return on investment)

Data value includes: **Aggregate data analysis** (comparison between operator techniques, water use by location, runoff traceability, use restriction compliance)
Understanding the offering is just the start.

A value proposition aligns that offering with a defined audience to deliver a distinct benefit.
FOR: suburban housewives with an ego
IT’S: the discount retailer
THAT: delivers affordable trends.
FOR: the rebel at heart
IT’S: the classic American motorcycle
THAT: sets you apart.

Image credit: Harley-Davidson Motorcycles
FOR: the home barista
IT’S: the easiest way to brew espresso
THAT: is better than the coffee shop.
1. **Product** value proposition:
   FOR The player who wants to improve
   IT’S a professional quality smart racket
   THAT delivers immediate feedback when you’re on your game.

2. **Service** value proposition:
   FOR The tennis pro trying to build her client base
   IT’S a coaching assistant system
   THAT allows her to serve more people at once.

3. **Data** value proposition:
   FOR The racket manufacturer
   IT’S a data aggregation tool
   THAT allows us to see how our product is truly used.
1 **Product** value proposition:

FOR The cost-conscious farm operator
IT’S a reliable, maintenance-free valve system
THAT allows me to maximize time in the field.

2 **Service** value proposition:

FOR The value-driven agricultural investor
IT’S GPS-connected irrigation solution
THAT gets the same results with 20 percent less water.

3 **Data** value proposition:

FOR The state watershed manager
IT’S the irrigation system that continually sends me use data
THAT allows us to plan ahead and avoid restrictions.
Now that we have a value proposition, we can understand the true competitive frame.
FOR: suburban housewives with an ego
IT’S: the discount retailer
THAT: delivers affordable trends
UNLIKE Walmart
FOR: the rebel at heart
IT’S: the classic American motorcycle
THAT: sets you apart
UNLIKE driving a minivan.

Image credit: Harley Davidson Motorcycles
FOR: the home barista
IT’S: the easiest way to brew espresso
THAT: is better than the coffee shop
UNLIKE going to Starbucks.
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Product value proposition:

FOR	The player who wants to improve
IT’S	a professional quality smart racket
THAT
delivers immediate feedback when you’re on your game
UNLIKE	affording a racket with superior materials.

Service value proposition:

FOR	The tennis pro trying to build her client base
IT’S	a coaching assistant system
THAT
delivers immediate feedback when you’re on your game
UNLIKE	affording a racket with superior materials.

Data value proposition:

FOR	The racket manufacturer
IT’S	a data aggregation tool
THAT
delivers immediate feedback when you’re on your game
UNLIKE	affording a racket with superior materials.

Image credit: Babolat

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Product value proposition:

FOR The cost-conscious farm operator
IT’S a reliable, maintenance-free valve system
THAT allows me to maximize time in the field
UNLIKE a cheaper system that would require field maintenance.

Service value proposition:

FOR The value-driven agricultural investor
IT’S GPS-connected irrigation solution
THAT gets the same results with 20 percent less water
UNLIKE using what we have now (water is cheap for us).

Data value proposition:

FOR The state watershed manager
IT’S the irrigation system that continually sends me use data
THAT allows us to plan ahead and avoid restrictions
UNLIKE collecting field data ourselves.
# IoT Value Proposition Generator: 3X-FIT-U

<table>
<thead>
<tr>
<th><strong>IoT Offering Component</strong></th>
<th><strong>FOR Audience Segment</strong></th>
<th><strong>IT’S Specific Offering</strong></th>
<th><strong>THAT Perceived Benefit</strong></th>
<th><strong>UNLIKE Next Best Alternative</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Tangible Product</strong></td>
<td>Who is the direct user of the physical product itself? Is there more than one distinct group or segment?</td>
<td>What is the specific physical product? Does connectivity offer any immediate benefit without ongoing service?</td>
<td>What specific benefit does the user receive from the product itself? How valuable is any immediate benefit received?</td>
<td>What is the next best alternative to the product itself? Is the product superior or inferior to its IoT counterpart?</td>
</tr>
<tr>
<td><strong>Ongoing Service</strong></td>
<td>Is the user (or user groups) of the ongoing service different than the user of the physical product?</td>
<td>What is the exact service offering? How is it delivered? When? How often? What does it cost?</td>
<td>What benefit does the user receive over time? Is there a benefit for both user groups if they are different?</td>
<td>Does the benefit continue through each billing cycle? If not, is the next best alternative cancelling your subscription?</td>
</tr>
<tr>
<td><strong>Data Aftermarket</strong></td>
<td>Who is most interested in the aggregate database you will create?</td>
<td>What specific data fields will you collect? What is the data quality?</td>
<td>What does the data tell you in aggregate that is new, surprising or useful? Can it build the database the user currently owns?</td>
<td>Where else could that data come from?</td>
</tr>
</tbody>
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Jason Voiovich

Jason Voiovich is the founder of Vojvdec & Sigma, a consultancy offering Virtual (Fractional) CMO services for B2B organizations in the most challenging markets who need affordable help creating and executing winning marketing plans that deliver a 10x ROI. He has invested the prior five years helping organizations discover and capitalize on new markets made possible by the digital revolution.

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