

Using the Value Mapping Tool – Guide for facilitators

Supplement to:

Nancy Bocken, Samuel Short, Padmakshi Rana, Steve Evans, (2013) "A value mapping tool for sustainable business modelling", Corporate Governance, Vol. 13 Iss: 5, pp.482 - 497. doi: 10.1108/CG-06-2013-0078

1. Unit of analysis

What is the unit of analysis that is to be explored – product and/or service offering, business unit, firm, industry sector?

2. Stakeholder Groups

Which organisations or individuals have influence or involvement in your business operations, or are influenced/ affected in any way by your business operations?

Consider who is involved in the value creating network, and the external impacts of your business activities.

3. Purpose

What is the primary reason(s) for the existence of your business and its network of stakeholders including the value chain?

The purpose is more than just making money, although that may certainly be viewed as a primary reason. Consider why should any of your stakeholders, particularly the customer, care about the existence or continuation of the business network?

It might help to consider what differentiates you from competitors.

4. Value Created

What positive tangible and intangible value is created for each of your stakeholders? For example, why does your customer buy the products and services offered?

Does the business network mitigate or offset some negative outcomes in full or in part (such as carbon emissions)? These should be included in the value created section of the tool.

5. Value Destroyed

What are the negative outcomes of the business for any of your stakeholders? Consider for example, environmental impacts such as pollution, or loss of local employment caused by offshoring or global outsourcing.

Is there a potential or perceived risk of value being destroyed by continuing ‘business as usual’ practices – for example, risk of reputational damage, loss of customers, profitability and market share, risk of litigation and regulatory change. (For example, in agriculture there is a potential risk, as yet still under debate, that use of pesticides may damage the bee population required for crop pollination). These should be identified in the category of destroyed value.

For each stakeholder group (particularly environment and society) consider the positive and negative outcomes at each stage in the ‘value creation and delivery system’ – that is, what are the impacts generated by each of your key suppliers/partners/distributors/customers on the

environment and society and others? This is important to ensure a holistic network-wide perspective of value

Are there contradicting impacts at the local versus national and global level? For instance, something may be considered good for the environment or society at a global level (e.g. climate change mitigation), but devastating at a social development level. Conflicts need to be considered by participants to create the full picture of value.

6. Value Missed

How might the business be missing an opportunity to capture value, or wasting or squandering value in its existing operations? For example, are customers not receiving what they really want? Are assets, capacity and capabilities under-utilised? Are potentially useful materials going to landfill? Or, are employees languishing in roles that do not use their skills?

Is the business network creating value in some form, but failing to capture value from the customer or society for this?

Are there any trade-offs that require further attention in the brainstorm? (e.g. technology improvement versus cost increase; or environmental impact reduction versus negative societal impact)

7. New Value Opportunities

What new positive value might the network create for its stakeholders through introduction of new capabilities, activities and relationships? (Include proposed outcomes, and if relevant, mechanisms to achieve these)

Review the output of the previous steps (value created, destroyed and missed) and consider: how could existing value created be enhanced further; how could destroyed value be eliminated; and how could missed opportunities be converted into new value to be captured?

How might emerging technologies offer potential solutions? How might new partnerships and collaboration offer potential solutions? How might innovations from other industry sectors be applied? How might relocation of activities assist (outsourcing, offshoring, on-shoring, localised production)?

How are your competitors, particularly best in class, doing things differently to create and capture new positive value, and reduce or eliminate negative externalities? What can you learn and apply from them? What additional value proposition might create differentiation from the competition?

For this exercise do not feel constrained by rationality or practicality of the ideas – introduce blue-sky thinking, what would need to be added to the business model value proposition to fully remove negative outcomes? Perhaps ask what a utopian vision for the business network might generate for its stakeholders (stay within the bounds of your ‘purpose’ defined earlier, however, if there is time could question if the purpose might need to be modified – is it still fit for purpose)?

Source:

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