

Tools guide

Product canvas



The Association of Product Management is a professional membership body that helps you manage your professional development. We produce and maintain a wide range of best-practice guides, tools and templates for our members to use.

What is a product canvas?

Let's start with the term canvas. A canvas in the world of business is a single-page summary of information, laid out in boxes to make it easy for the eye to scan the content and zoom in on an area of interest. Alexander Osterwalder is credited with inventing the concept of a canvas in 2005 when he designed the business model canvas.

Our product canvas is a product-focused version of the business model canvas, adapted to capture the essential information about your product on a single page. It is a succinct description of your product, the market it serves (defined and quantified), the market problem (defined and quantified), the features and benefits, the competitive landscape and a financial summary. To get this level of detail onto one page (in legible-sized font) is truly a skill.

A strong product canvas is a masterpiece!

What do we use it for?

A product canvas has two primary uses:

1. Early business case development

For a new product, it can be used as an early iteration of a business case, building on an idea and capturing your research in a focused format.

Once you have completed the canvas, and if you think the idea is worthy of a full business case, you would typically present your product canvas to your investment committee, requesting a set amount of time and budget to develop a full business case.

The beauty of the canvas format is that it supports an iterative process of business case development – you will reuse all the information from the canvas in your business case.

2. Clarity of communication for an existing product

Most product managers know exactly what their product is, who it is for, what needs it fulfils, what problems it solves, etc. However, many still struggle to communicate all that information clearly and consistently. This makes life pretty difficult for stakeholders who are trying to build it, market it and sell it!

A strong product canvas (supported by a range of other, more stakeholder-specific documentation) brings the clarity that is needed across the organisation.

3. Meeting management

A third benefit, linked to the second one above, is more effective meeting management. If you have called a meeting relating to your product, sending out the product canvas with the meeting agenda ensures that all attendees have up-to-date product knowledge at the outset of the meeting. This brings clarity, saves time and looks professional!

How to complete the canvas

Download the PC-T1 Product canvas template. It is non-branded in Word format for you to use immediately. There are also pdf versions with prompts to help you (PC-T2) and a worked example (PC-T3) for reference.

Let's look at the eight boxes in more detail:

1. Market problem

This is the most important part of defining a product and building a business case and it is often overlooked or done badly!

B2B (includes B2G and Internal PM)

In business-to-business (B2B), you should always start any planning by defining the market problem. In B2B, if your customers don't have a problem, you don't have a product that you can monetise (B2B) or evidence savings (B2G and Internal).

Can you define the market problem in a couple of bullet points? Importantly, can you quantify the problem? How much is the problem costing your customers in time, inefficiency, mistakes, risk? The bigger the problem, the more attractive your solution is!

B2C

Business-to-consumer (B2C) is more open to interpretation. A problem is nice, but you may be just meeting a need, want, desire, aspiration etc and that's fine, if that need, want, desire, aspiration is (a) met by your product and (b) is priced in line with said need, want, desire, aspiration (although many high-priced luxury goods stretch that theory to the limit).

2. Solution description

How is your product solving that problem or meeting that need? What are the key features that are transforming the product into a solution? The solution description should be succinct and bring absolute clarity to internal stakeholders and external customers.

Use this solution description as the company standard to bring control and consistency to the vocabulary used to describe your product.

3. Benefits

B2B: The benefits must demonstrate that your product overcomes the defined problem.

B2C: The benefits must demonstrate that your product meets the need (or want, desire or aspiration) of your target market.

Warning: If you have mis-understood the market problem, or not defined it clearly enough, or not quantified the problem, your product requirements will be wrong, your benefits statements will be irrelevant, and your messaging will miss the mark!

4. Market segment(s)

Can you segment and size all your target markets in this one box? This assumes that they all have the same problem and that a single solution meets all their needs. If your segments are too diverse, you will need to complete a canvas per segment.

Once you've decided whether to use one or more canvases, you will use this box to define and size your segments.

Sizing your segments accurately is key and there are other resources available to help you do this.

5. Competitive landscape

Who else competes in this market? What is their share of the market? How successful are they?

This is a tiny snapshot of a much bigger picture and there are other resources available to help you with a full competitor analysis.

Importantly, what is your unique selling point (USP)?

6. Evidence

This box is flexible, and you may want to change the heading to suit your needs.

If you choose to stay with Evidence, then this is your opportunity to demonstrate that what you're claiming in the rest of the canvas is true – do you have any facts and figures to support your claims? Do you have a customer quote? Can you put in a link to a case study?

7. Financials

This is a snapshot of the current financial health of your product and your forecast. You don't need too much detail, but you should include enough to be of value to the audience.

8. Value proposition statement

This is a carefully crafted statement that summarises the essence of your product:

- Who is it for?
- What does it do?
- What value does it bring?
- How is it positioned against the competition?

You should have multiple value proposition statements if your product serves different markets. Value proposition statements are great openers for your product on your website.

There is a separate resource on our website for crafting your value proposition.

Summary

The importance of a strong product canvas cannot be underestimated.

It refines your thinking at the early stages of a new product development, and it enhances your internal communications for established products.

As a product manager, you need to bring clarity to your product.

You need to control **WHAT** is said about your product and then you can leave your sales and marketing colleague to determine **HOW** they say it. A product canvas is a great tool to achieve this.

As mentioned earlier, a strong product canvas is a masterpiece!

- END OF DOCUMENT -