Value Proposition

Developing a compelling value proposition – your pathway to increased sales

Ron Neumann
Mentor at HBEC
Georgian College
Agenda

4:30  Start
Why has the world changed?
How can you survive?
Value Proposition – Creation & Use
Why is it Difficult to get a good VP?
Competition & Status Quo
Buyer’s Journey
Advanced Work you can do

5:20  Questions
Why has the world changed?

- Speed of Change
- The Network Effect
  - Globalization
  - Use of the Internet
  - Impact on Buying Habits
In two generations things have changed dramatically

Products that were revolutionary 2 years ago are not gone

The speed of change is getting faster

One impact of this is a reduced attention span
Network Effect

- Internet & Social Media Marketing
- Content is King

- Clients are more informed than ever before
- The information about products and service spreads faster
Business Model Canvas

The Business Model Canvas

Key Partners
- Who are our most important customers/stakeholders?
- How do we engage with our partners?
- How do we collaborate with our partners?

Key Activities
- What are the core processes within our business model?
- How do we create value for our customers?
- What are the key steps required to deliver value?

Key Resources
- What are our most important resources?
- How do we acquire and manage our resources?
- How do we ensure our resources are aligned with our value proposition?

Value Propositions
- What do our customers believe they are getting from our business model?
- How do we differentiate our offering from competitors?
- What unique benefits do we provide to our customers?

Customer Relationships
- How do we interact with our customers?
- How do we maintain long-term relationships?
- How do we ensure our customers are satisfied?

Customer Segments
- Who are our most important customers?
- How do we segment our market?
- How do we reach and serve our target segments?

Channels
- How do we reach our customers?
- How do we communicate our value proposition?
- What channels do we use to deliver value?

Cost Structure
- What are our most important costs within our business model?
- How do we control and manage our costs?
- How do our costs contribute to overall revenue?

Revenue Streams
- How do we generate revenue from our business model?
- What are our primary revenue streams?
- How do we ensure sustainability and growth?
Business Model Canvas
Value Proposition

- What Value do we deliver to Customers?
- Which one of our Customer’s problems are we helping to solve?
- What bundles of products and services are we offering to each Customer Segment?
- Which customer needs are we satisfying?
What is a Value Proposition?

Definition

A value proposition is a clear statement about the outcomes that an individual or an organization can realize from using your product, service or solution.

It is the sum of the offerings and experiences delivered to your customers, during all their interactions with your organization.

Value proposition is the #1 thing that determines whether people will bother reading more about your solution.
What a Value Proposition is NOT!

As a result, in many organizations, a value proposition is seen as one of the following:

- a new name for a marketing story or statement
- a unique selling point
- another word for ‘product’ or ‘service’ or ‘offering’
- a corporate positioning statement
- an elevator pitch
- a set of communication messages
- a list of benefits
- some sort of magic sales ‘silver bullet’.
Don’t forget!

The value proposition is the Gateway to Attention
Different Format of the Value Proposition

- Short Version
  - Designed to get Attention

- Long Version
  - Normally with Feature Bullets

- Always best when supported by a visual
Earth to Kids – Value Proposition

Whole, nutritious, yummy food for the caring parent who wants to inspire lifelong healthy choices for their little ones.

**Convenient**: Easy, lightweight pouches that are ready to travel

**Versatile**: Use as nutritious baby food or nutritional supplement in kids’ meals

**Custom**: Mix with breast milk, formula or water to the consistency your baby loves
Don’t forget!

The value proposition should be customer-focused. NOT focused on you.
Ciboulette et Cie – A Food Shop Experience

Our Philosophy

Combine superb culinary skills with a passion for fresh local ingredients to create delicious food items to be enjoyed with family and friends.

Our Commitment

To create partnerships between producers, farmers and chefs so you can enjoy the best food our region offers. We strive to maintain our community roots to ensure that our environment and local economy will benefit from our shop as much as you and your family.

Our Shop Experience

Step into a family friendly place to meet, eat, shop and learn about local products and preparing healthy meals with fresh seasonal ingredients. Stop by for an opportunity to sample our wares, as well as local and new products from our partners.

Our Services

Superb full service catering and event planning, custom cakes and cookies, cooking classes, gift certificates, corporate dinner meetings, or private dinners for any occasion.
Ciboulette et Cie makes it quick, easy & fun to make healthy, quality food choices by providing nutritious & flavourful meals you can enjoy eating-in, or taking-out; and the opportunity to learn how to integrate healthy alternatives at home.
Digital Giants partners with businesses to grow on-line connections, generate leads and drive sales.
BOYTOY Threads

BOYTOY threads offers urban streetwear for ambitious and playful gay men.

They aren't afraid of expressing their uniqueness with bold ideas and an image that demands attention.
TenFold Bandanas

Tenfold Bandanas designs hand-made, fashionable, waterproof, breathable all-season bandanas for extreme sports and outdoor lifestyles.
More than one audience

- Sometimes there is more than one audience that is required to be incorporated into the Value Proposition
tandempark

For Volunteers:

Connects your passion to rewarding volunteer opportunities, to provide meaningful experiences, strong networking opportunities and practical professional development.

For Volunteer Coordinators:

Provides instant access and insight into its community of passionate, reliable, and talented volunteers, enhancing event and project performance, while saving you time and energy.
What about Price?

Remember it is a Value Proposition

Focus on the Value you provide not on the Price!

Focusing on Price or Discount may make it easier to sell, but it reduces it to one dimension and turns your product or service into a commodity.
Places to Use your Value Proposition

- Web Site – Main Page
- Brochures
- Posters
- Email
- Communication
- Signs in/on your building
- Packaging
- Training for your staff
Marketplaces or Client Types

- Who do you sell to?
- This is very important because different types of users will buy in a different way.
- They will also see the value in a different way.
  - A Student will make decisions a different way than a CFO or a Marketing person.
- The market you sell to may also require a different approach.
Creating Personas

- Need to define your ideal customer types
- Often you will need a few to capture your users (4/6 is often ideal)

- Name: (make one up if you need to)
  Age: M/F Married?
  Kids? Education
  Title
  One thing that makes them unique
From Value Proposition to Positioning

Positioning: A formal definition

A high-level *promise statement* that defines how we want to target customers to *think* and *feel* about what we offer relative to competitors, and the key customer perceptions we want to create or change.

Includes Comparison with Competitive Alternatives
The Human Factor

- How you represent your value proposition is extremely important
- It needs to be a part of all of your actions
- Training and staff alignment will make your job so much easier
- Sales people should offer a Sales Proposition in line with your Value Proposition
This is necessary when you have identified a specific client and need to know what their benefits would be

This is often where the sales people (or owners) get creative

Whether you know it or not, your sales people will be using a sales proposition when they meet prospects. They will be using a pitch, a series of benefits and insights all woven together in a story. The danger is that this could likely be miss-targeted and much less effective than an aligned message
Buyer’s Journey

There are distinctive stages of an engagement with clients

**DISCOVERY**
- Normally they first identify that they need something
- Then they find out more information normally looking to see if this is really for them

**CONSIDERATION**
- Looking to see what alternatives exist

**DECISION**
- Making the final decision and engaging
## Defining Your Buyer’s Journey

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<th>Buyers Journey:</th>
<th>Discovery</th>
<th>Consideration</th>
<th>Decision</th>
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Arrows indicate the progression through the buyer's journey.
Why is it so hard to figure out our own Value Proposition?

- As we mentioned, the needs and what people value are changing faster all the time
- Other people and companies are influencing opinions

- We spend so much time thinking about what we do from our own position we get separated from our customer’s perspective

Inside Out Thinking
Truly Think Like a Customer

Thinking Outside The Groove

Outside In Thinking
Why Can’t You Just Ask Your Customers What they Want?

- Steve Jobs famously said, “People don’t know what they want until you show it to them.”
- People just normally “think forward” they can’t see the solutions to their own problems
- Status Quo Bias – They don’t want to change what they are doing
- Desire to please – Often during interviews, customers will attempt to answer a question the way they think they should answer the question or provide an answer they think is “correct.”
Don’t forget!

You need help to understand the Customer’s Perspective
People don’t like to change what they are doing now. It is just so much easier to continue doing something even if it is not giving you the proper output.

Fear of the unknown.

Document the Status Quo and number one alternative on your worksheet.
Status quo bias is an irrational desire that all normal humans have. It is a desire to keep things pretty much as they are; to avoid changing things.

It is irrational in the sense that the bias exists even when there is no evidence that keeping things the same is a better outcome than change.

Substantial psychological research has empirically demonstrated that status quo bias is commonplace among us humans.

Status quo is the Enemy of Innovation
Don’t forget!

Status Quo
Is likely your
#1 Competitor
Messaging is the way you articulate the positioning *verbatim* in the advertising campaigns you create for specific segments and audiences.

**Key points**

- Messaging is creative, positioning is strategic.
- Messaging is campaign-specific, positioning is enduring.
- Messaging is localized, positioning is global.
Benefits of Developing your Customer Centric Messaging

- Customers can connect with you quickly
- Your staff knows what to focus on
- Your sales people sell what you offer

- Note that you need to continue to watch the market to see if the message changes
Advanced Work

- Value Proposition Design
- Including Emotion & Social Benefits
- Futurecurve process
- VistaShift catalyst
Viewpoints – From Mind to Heart

**Functional benefits**
**What the product does**
- Capability (Quality/Performance)
- Reliability
- Flexibility
- Maintainability
- Usability
- Upgradeability
- Interoperability
- Disposability

**Economic benefits**
**What it means in time and money**
- TCO (Total Cost of Ownership)
- EVC Economic Value to Customer
- ROI (Return on Investment)
- Reduced time
- Reduced cost
- Reduced errors
- Increased productivity

**Emotional benefits**
**How it makes you feel**
- Style
- Self-actualization
- Self-expression
- Control
- Freedom
- Independence
- Affiliation

**Social benefits**
- Connection
- Sharing
- Network
- Friends

**Customer**

**FEEL** (HEART)
- Style
- Self-actualization
- Self-expression
- Control
- Freedom
- Independence
- Affiliation

**THINK** (MIND)
- Capability (Quality/Performance)
- Reliability
- Flexibility
- Maintainability
- Usability
- Upgradeability
- Interoperability
- Disposability

**Economic benefits**
**What it means in time and money**

**Functional benefits**
**What the product does**
System for Creating a Value Proposition
- Futurecurve.com

1. MARKET
   - The specific group of customers you are targeting

2. VALUE EXPERIENCE
   - Benefits minus cost, as perceived by customers

3. OFFERINGS
   - The product/service mix you are selling

4. BENEFITS
   - How your offering delivers clear customer value

5. ALTERNATIVES & DIFFERENTIATION
   - How you are different from and better than the alternatives

6. PROOF
   - Substantiated credibility and believability of your offering

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A Catalyst for Increasing Sales

VistaShift offers organizational teams an easy, yet powerful perspective-taking utility that reveals customer compelling themes used to build effective marketing and sales foundations made up of:

Compelling Value Propositions
VistaShift catalyst SW
Questions?

Ron Neumann
Ron.Neumann@GeogianCollege.ca
Thank You!

Ron Neumann
Ron.Neumann@GeogianCollege.ca