



Value Proposition Development

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What is your organization's value proposition? Is it compelling? If you had two minutes to share it with a new business prospect, would they want to hear more about your offering when you were done? Would they be inclined to follow-up with you instead of your competitors?

The answers to these questions are the predominate predictor of success for many organizations. Organizations that don't have a clear and compelling value proposition can only hope that the demand in their marketplace far outstrips the supply. It is no matter that they may have the best products and services in their market if they can't articulate it in a compelling way to their prospects.

Having a compelling and consistent value proposition may be your organization's most important external facing attribute. Done properly, it positions your organization as a top contender in the marketplace. It creates interest in your offerings. It drives your lead generation process and plays a key role in filling your sales funnel with targeted opportunities. You no doubt still have to be able to fulfill your claim, but you will only get the chance after you have properly positioned yourself.

Unfortunately, many organizations equate having a value proposition with having corporate communications market messaging that is so sterile that it puts a prospect to sleep. It reads something like "we are the market leader in next generation refrigerators with the most advanced technology available in the industry." To be fair, general market messaging has its place, but one-on-one with a potential business prospect is not it. Perhaps worse are organizations that let their sales teams and other departments craft their own individual value propositions resulting in inconsistent and improper positioning.

Take a discriminating look at your organization's value proposition. Does it clearly articulate your market position? Does it bring out your offering's unique value that separates you from your competitors? Does it focus on the key issues your prospects face? Does it establish sufficient value to justify your price? Does it appeal to how your prospect makes decisions? For extra credit, does it help the prospect logically funnel down from the market alternatives to your solution? If not, consider rephrasing it. Embed the following six points into your value proposition to ensure it is clear, compelling and differentiated:

- 1. Problem Statement** - Articulate the problem or opportunity in the world that your product or service addresses. If you sell a highly efficient next-generation refrigerator, start with a couple of points about how inefficient today's refrigerators are.
- 2. Impact** - State the impact of the current problem. State how much electricity current refrigerators waste each year or how much rotten produce has to be thrown away because of unregulated moisture conditions.
- 3. Solution Alternatives** - Review the typical approaches taken to deal with the problem, e.g. customers can buy a smaller refrigerator, increase the frequency in which they go grocery shopping or install a new next generation refrigerator. Acknowledge your competition in general terms to demonstrate empathy and set the stage for the next step.
- 4. Solution Selection** - Funnel down from the market alternatives to why your offering is the best solution.
- 5. Unique Value** - Differentiate your offer from others by conveying its unique business, technical, financial, compliance, social or whatever value.
- 6. Hook** - End your value proposition with an interest grabbing, if not even provocative point that would cause the prospect to give serious consideration to your offer and ideally come back to you with some questions.

Done properly, you should be able to communicate your organization's value proposition in two minutes or less. You too should be able to drill down into significantly more detail when given the opportunity to do so. To the extent time allows, be prepared to draw a picture, give examples and tell stories about the value your offering provides. The more visual your proposition, the more influential it will be.

Make your value proposition clear, compelling, differentiated and consistent to ensure your prospects get the right message. Your business depends on it.