A Value Proposition...

What is it, really?
Webinar Agenda

- Defining Value
- Defining Proposition
- Defining a Value Proposition
- Developing a Value Proposition
- Applying the Value Proposition
- Question and Discussion
A Value Proposition is **NOT**

- The same as a proposal theme statement
- Solely based on monetary value
- Based only on features
- A list of definitions or specifications
- A slogan
- A Tagline
- A catch phrase

Always written verbatim into the proposal.
What Constitutes Value?

Value in mind of the customer
Monetary payback or savings
Competitive advantage
Efficiency gains
Discriminates: Better, different, and important to customer
What is a Proposition?

Simply put, a proposition is an offer with some type of benefit.

“Show me the value...”
A Value Proposition

An offer demonstrating measurable value/worth to the customer must be:

- Developed collaboratively with the customer
- Based on *win strategy*
  - Analysis and discriminators
- Focused on tangible and measurable benefits
- Able to solve a problem or save money (ROI)
- Quantifiable (value outweighs cost)
- Time bound
Clarifying Vocabulary Related to Value Propositions

**Features**
Aspects, or attributes of our product or service—Speed, schedule, dollars of revenue collected, etc.

**Benefits (Value)**
Advantages that solve a problem for the customer—Reduced cost or risk, improved quality, reliability, profit, safety, etc.

**Discriminators**
A benefit that is important to the customer and is unique to you.

**Win Theme**
Themes link discriminating features and benefits to customer – Demonstrates VALUE.

**Theme Statement**
A theme statement highlights our benefits by emphasizing our discriminators or features. Link benefits to customer hot buttons.

**What**

**So What**

**Why Us**
A Value Proposition is Based on the Win Strategy

- Analyze strengths and gaps (SWOT) of you and your competitors
- Articulate and demonstrate value your customer cares about
- Determine where and how to convey your value proposition
- Show the customer how your solution meets their value definition
Creating a Value Proposition Requires Analysis

**SWOT analysis helps us:**

1. **Perform SWOT for us and each competitor**
2. **Identify what makes us better and different (discriminators)**
3. **Challenge all assumptions**
4. **Build consensus on our offer and value proposition**
Articulate Value through Win Strategy

1. Leverage our Strengths
2. Mitigate our Weaknesses & Risks
3. Neutralize our Competitors’ Strengths
4. Exploit our Competitors’ Weaknesses

WIN!

VALUE
A Value Proposition Must be Based on Discriminators

**Neutral Position**
Customer Needs It
Competitor Has It
We Have It

**Irrelevant Position**
Customer Doesn’t Need It
Competitor Has It
We Have It

**Our Weakness**
Customer Needs It
Competitor Has It
We Don’t Have It

**Our Discriminators**
Customer Needs It
Competitor Doesn’t Have It
We Have It – Find out $
What Customers Might Want to Measure

- Turnover
- Percentages
- Dollars
- Time vs. Investment
- Accuracy
How do you coach a sales team to provide the info you need to be able to write a value prop?
Sales Should Clarify Issues, Motivators, and Hot Buttons

- **Issues** are the customer’s concerns. Issues are the *worry items that keep the customer awake at night.*

- **Motivators** are the *objectives that the customer is trying to achieve:*
  - Improve profits
  - Increase revenue
  - Reduce costs and redundancy
  - Improve safety and response time
  - Provide security
  - Demonstrate value to taxpayers

- **Hot Buttons** are a *consolidated set of issues and motivators.*
How is value proposition distinguished from win theme or theme statement?
Outdoor Sports Global will **reduce the cost** of sales tracking and lead nurturing campaigns by selecting Vibrant to implement a CRM system that reduces overall marketing costs **by 35 percent**.
Outdoor Sports Global will reduce marketing costs by 35 percent over **two years** by implementing Vibrant’s CRM system at cost savings of over **$225,000 per year** compared to the current OSG system and support personnel.

<table>
<thead>
<tr>
<th>Feature</th>
<th>Quantified Benefit (Impact)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer</td>
<td></td>
</tr>
<tr>
<td><strong>ROI Timeline</strong></td>
<td></td>
</tr>
<tr>
<td><strong>$ ROI</strong></td>
<td></td>
</tr>
</tbody>
</table>
Questions

“Can a value proposition be shown through graphics instead of in writing (text)?”
Value is Often Demonstrated Best with Visuals

Value
Cost Savings to Similar Customers

2015 67%
2016 68%
2017 71%

Cost Savings
Savings compared to the traditional approach within a 6 month period.

+34%

Source: www.apmp.org
Apply the Value Proposition Everywhere!

- Proposal theme statements
- Executive summaries
- Cover letter
- Visuals and captions
- All proposal sections
- Communication with the customer
In Summary:

Elements of Value Proposition

- Quantified Improvement
- Timing
- Solution
- Results, Measurement, and Tracking
- Payback
- Cost
Questions

Follow Shipley on social media:

- ShipleyAssociates
- @shipleywins
- Shipley Associates
- Shipley University
- Shipley Associates
https://www.shipleywins.com/webinars/

**Shipley Webinar Calendar**

- **Jan 16**: Money Wasted!
- **Feb 20**: Keys to Effective Proposal Management
- **April 3**: A Value Proposition...What is it, really?
- **May 15**: Characteristics of Winning Proposals
Thank you!

www.shipleywins.com