VALUE PROPOSITIONS THAT SELL

Turning Your Message into a Magnet that Attracts Buyers

Lisa D. Dennis
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Lisa D. Dennis
To my mother, Marie Maillet,
who taught me all about the magic of creativity and hard work.

To Charles E. Dennis, without whom I could not have started
and grown my business, Knowledgence Associates.

And to my two mentors:
Ralph A. Goldwasser and
Peter B. Johnson

Thank you for believing in me early,
pushing me often,
and teaching me much.
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Without a strong value proposition, it’s tough to sell. Salespeople struggle to pique a prospect’s interest. Quality opportunities fail to turn into closed deals. Exciting new products and services fall flat.

Yet when a company or salesperson clearly articulates the right value proposition to the right buyer, everything is different. Doors open. Momentum builds quickly. Change happens fast. And everyone is happy. In short, nailing your value proposition is essential for sales success.

That’s why, for the past few years, I’ve been pushing Lisa Dennis to write this book. She knows more about value propositions than anyone else. Her concept of a value proposition is a whole lot more than an elevator speech, a unique selling proposition or even the one or two-line statement of value from a seller to a buyer.

She’s created a methodology to help a company develop and use its value proposition that’s unmatched in the profession. It starts with a Value Proposition Platform that includes identification of market sectors, target buyers and influencers, and their key business issues. When completed, Sales and Marketing have everything they need to create highly relevant, value-based messaging for use in both their content and conversations with buyers.

The Value Proposition section includes statements of the Customer Objective, the Company Offer, and the company’s Differentiator. Finally, there is a section that lists Value Drivers with Quantification and Proof for each driver.
Three key points about *Value Propositions That Sell* make it unique.

- It is based on primary research conducted with B2B buyers. Each chapter starts with data from Lisa’s research and expands on how your value proposition needs to reflect how buyers think and yes, how they buy and how they behave through every stage of their “buyers’ journey.” You’ll also find supplementary research from ITSMA and The Buyer Persona Institute, insuring you the most up-to-date information available.

- The book includes two extended case studies of how Lisa guided two very different companies through the process of developing their value proposition platforms. These illustrations make the explanation come alive, as if you could sit in on the discussion of how the team chose one phrase over another, or even one keyword over another, in considering the buyers’ perspective.

- It’s written in the voice of a real pro, whose wisdom, experience and business sense echo in every page—direct, practical, no bull. Lisa has taken a host of companies on the value proposition journey over the past twenty years and has the battle scars to prove it. She’s one of the rare practitioners who has equal credentials and commands equal respect in both camps. She speaks both languages like a native, which makes her book exceptionally useful in the real world where marketing and sales need a shared value proposition for buyers!

That’s why I’m endorsing *Value Propositions That Sell* and recommending it to B2B sales and marketing leaders in companies of all sizes, to small business owners, and to sellers who need their management team to step up to developing this kind of Value Proposition Platform in their company.

Strong value propositions lead to more closed deals, shorter sales cycles, and increased revenue. Plus, everyone is more successful—including your customer.
Lisa is the Queen of the Value Proposition. Make the most of this opportunity to learn from her. It will be worth it.

Jill Konrath, Bestselling Author
Selling to Big Companies
SNAP Selling
Agile Selling
More Sales, Less Time
I have worked with business-to-business companies across a broad range of industries – hardware, software, healthcare, insurance, manufacturing, professional services, and others. I have been privileged to collaborate, ideate, design, build, and execute marketing and sales strategies and tactics, as well as to develop training for both marketing and sales teams. The challenge of aligning both groups to deliver a consistent, clear, and differentiated experience to buyers is still a constant struggle, even as more software tools, new methodologies, and new categories of marketing and sales techniques have evolved over the years.

The interactions between B2B buyers and sellers have become increasingly complex as buyer behavior has shifted. The very nature of marketing and selling as a discipline continues to evolve. But one thing remains unchanged – the need to uncover, define and communicate differentiated value that resonates with our target buyers.

**Value Propositions – Why They Still Matter in the Era of Buyer Control**

The advent of the ‘hidden sales cycle’ (the stages of the buying process that buyers are conducting on their own, without sales people) has made the value of the standard value proposition formula become less and less effective. Buyers are engaging with sales later and later in the process, getting to a short list of vendors before ever speaking to any one of them. The pithy one sentence value proposition that is product or service focused does not work as well in that environment.
Given that the buyers have pretty much appropriated the sales process, it makes one wonder if we even need value props anymore. It calls into question the very “value” of a value proposition.

Should we be focusing instead on delivering “disruptors” or “insights” to a prospect, as some of the current sales methodologies advise?

My career experience (in Product Management, Marketing, and Sales roles prior to founding Knowledge Associates in 1997) has taught me, from an inside and an outside perspective, that we need both, and that they should be integrated to make it easier for marketing and sales professionals to message consistently. To serve up a value proposition the right way goes beyond just delivering a “pitch” or a short statement. It must be delivered in a buyer-centric manner.

Over the past two decades, I have had the privilege of working with a host of clients of all shapes and sizes to develop their own value proposition “playbooks.” These messaging platforms feed the content needs of both Marketers and Sellers, and more importantly, deliver value-based messages and conversations to drive buyer engagement. The marketing and selling game has changed exponentially and the value proposition development process needs to move with it.

The Quest for the Right Message that Sells

This book provides a direction, an approach, and a toolkit to better enable Marketing and Sales to create the right buyer conversations, via the development of a Value Proposition Platform™. It is designed to deliver a roadmap for messaging across all your communication channels: digital, face-to-face, and social.
Along the way, I will share some research that my company, Knowledge Associates®, conducted in partnership with IDG Connect, to understand how value propositions fit into the decision process of buying teams making technology investment decisions. Most survey respondents were involved in all three decision focus areas: business, technical, and financial impact.

The survey results have implications that go well beyond just technology buying decisions. They speak directly to issues, challenges and needs of a broad range of B2B buyers who are focused on identifying those vendors who deliver real value that address buyer needs. There is a complete description of the research study, the partners, and the respondent demographics, along with the questions and responses, in Chapter 11. Throughout the book, I will share research, as well as analysis and insights fueled by my personal experience with customers and prospects to underscore important concepts.

**Translate, then Communicate**

Rather than simply delivering a description of the value a company brings to the buyer, we need to communicate the *value the buyer seeks* in achieving their goals or solving their challenge and do so in their language.

To engage the buyer in the hidden sales cycle, we must increasingly rely upon effective content marketing because that’s where the sales process begins, without the sellers. This must result in an evolved value proposition creation process that fully feeds all the content needs which, in effect, are part of the sales process today.

Think that your organization doesn’t have this challenge? If you asked ten different people in your organization what the value proposition is for the company and its core offering, you might be surprised to discover a lot of different answers. Getting everyone on the same page about the most important message that the company must deliver to its buyers is not
automatic. So, go ahead, I challenge you to ask a handful of the staff! What you will find underscores one of the biggest challenges that most sales and marketing departments have: getting a clear and consistent message out to prospects and customers. If it isn’t clear internally, you can be sure that it isn’t clear among your prospects or in your markets.

With today’s sophisticated and well-informed buyers, the “standard” value proposition just doesn’t cut it anymore. Coupled with the increasing level of competition we all face, that makes communicating the uniqueness of your offer, and what truly differentiates you from all the other alternatives, extremely challenging.

I will walk you through the construction of a Value Proposition that SELLS, that speaks directly to your customers’ needs, challenges, and goals in a way that is engaging, differentiated, quantifiable, and provable. There are several moving parts that we will need to gather before constructing it, and this plan will help you identify that information, and translate it into a Value Proposition Platform that can be used to deliver all the marketing and sales messaging needed to attract and win customers.

My goal is to teach you a simplified and repeatable process to create rock-solid value propositions for your existing and new offerings, and to extend it into product and service messaging, sales conversations, and marketing and sales materials. I look forward to sharing with you what my customers and I have learned together.

Lisa D. Dennis
President
Knowledgence Associates

www.valueproposition.expert
www.knowledgence.com
Almost all buyers (96%) in our survey ended up making a purchase from the vendor who prepared the most relevant value proposition that was aligned with the buyer’s interests and needs. Buyers said that two-thirds of value propositions were relevant to their needs, but when we asked them for the vendors that they were considering, what was the lowest and highest value proposition relevance they experienced, the results were surprising. The highest level of relevance was only 71%, and the lowest was 30%. That’s a wide range, but even more important is that notion that if the best that’s out there is only 70% relevant to a buyer, then there is a real opportunity for anybody who increases relevance above that to stand out.
The Purpose of a Value Proposition

Determining what the value proposition is for our product or service can often be elusive. Typically, value propositions are developed from the “inside-out,” with a focus on the product or service rather than the customer it is trying to attract. Getting clear on what value our organization’s offerings deliver can depend on the point of view of different members of our team: product development, branding, sales, and product marketing. The bigger questions are first, determining what attracts a customer, and then what the story is that will most resonate with them.

Among the many marketing challenges and choices that must be made to effectively communicate our company’s “story,” the most important one is defining the value. What value does our company deliver? To whom is it delivered? How is our company’s value communicated? These are key questions that require research and competitive review. But there is another crucial question that should come first, yet often gets skipped:

*From whose perspective is value best described?*

There is only one right answer to this question. Unfortunately, because we are all in love with our own product and services, it is frequently answered incorrectly. Most of us think the value proposition should be from the perspective of our own company and focused on our own products and services. It’s our job to market and sell that. We use marketing language that is often couched in company-centric language instead of “buyer” language. The result: a value proposition that is just a thinly disguised advertisement of our product or service. The core message is centered on “here is what we have to sell and here is why you need to buy it,” rather than keying into the primary concerns, needs, or issues of the buyer. This message forces the potential buyer to figure out on their own if our offer is a match, instead of making it easier to recognize our solution as the one they were looking for.
Let’s look at a real example, pulled from a company website. It is very similar to many other value propositions out there.

**EXAMPLE**

*We provide a full range of skills needed to direct and deliver a successful solution, including strategic direction, business analysis, management, system design, directory implementation, security assessment, application development and systems integration. We have developed a comprehensive, proven methodology, based on hundreds of engagements with Fortune 1000 clients in a wide range of industries. And our consultants average more than a decade of experience with the relevant technologies.*

Let’s take a look at this value proposition a bit more critically. Every buyer-centric value proposition needs to answer the following three key questions:

1. What is the buyer trying to achieve, or solve, or fix?

2. What is the offer that our company has to address the buyer’s specific needs?

3. Why would a buyer select our company over the other possible market alternatives (real and perceived)?

For this proposition to be meaningful in a customer interaction, these questions need to be answerable in specific terms. But it’s hard to get traction with this example, isn’t it?

The first question is the most difficult of all. We can speculate but there is nothing here that directly states the buyer challenge.
Question two is unclear as well. What is “the solution” they are referring to here? (It should be noted that this example was on the company’s website, on a page proudly entitled “Our Value Proposition.”)

The third question is not answered well either. How many of their competitors can claim the same differentiators?

The reason it’s hard to get at specific answers is that, overall, the statement is very generic. And it’s all about their organization – they are talking about themselves first, and the customer second. One quick test of a value proposition is to remove the company name, then have someone else look at it and try to figure out what the company does. Can they? A prospect may recognize the company name, and then fill in the blanks with their own knowledge or perceptions of what the company does. They could be right, or they could be wrong. Either way, the prospect must do the work here. By removing the company name, we can test if our value proposition is doing all the necessary work in communicating value to a prospect. They should not have to come up with the missing pieces on their own. And if they are not familiar with our company, they won’t even try.

To summarize: our buyers want to hear about the value that our offer delivers to them, not the value of our offer. The difference is subtle but speaks to a primary weakness of most value propositions out there today. It must be outcome-based, not offer-based. Talking about features and benefits as part of a value proposition is missing the point of what a value proposition needs to be in today’s market.

**Sorting Out the Definitions**

There are many value proposition definitions out there. There is also confusion about the difference between a value proposition and a unique selling proposition and an elevator
They should all be connected, but they are not interchangeable. So, let’s sort out these definitions.

**Value Proposition (Standard Definition)**

A value proposition is a clear and succinct statement indicating the specific value of a service or product or offer to a specific audience in order to differentiate its value.

**Unique Selling Proposition**

A unique selling proposition (USP, also known as unique selling point) is a factor that differentiates a product from its competitors, such as the lowest cost, the highest quality or the first-ever product of its kind. A USP could be thought of as “what we have that competitors don’t.”

**Elevator Pitch**

An elevator pitch (also known as an elevator speech, or elevator statement) is a short summary used to *quickly and simply* define a person / profession / product / service / organization and its value proposition. The name “elevator pitch” reflects the idea that it should be possible to deliver the summary in the time span of an elevator ride, or approximately thirty seconds to two minutes. The term itself comes from a scenario of an accidental meeting with someone important in the elevator.

As we can see, there are connections between them, but they are not the same. Both a USP and an Elevator Pitch rely on a solid value proposition, which seeks to communicate the value of the product or service offering. Features and functions are not enough. We must define the actual value delivered by the features and functions of an offering. Buyers are interested in outcomes. What will they experience, achieve, fix, or address?
In today’s market place, buyers are expecting us to go further. We must define value from a true buyer point of view – not what we think they should value. That changes the very nature of what a value proposition needs to do.

Buyers are looking for a value proposition focused on their needs rather than the standard version which only talks about the Seller’s products or services. Do we want them to engage early in their buyer journey? Or do we want to slug it out with competitors later in the game, when it’s significantly harder to come up with a differentiated message amongst the noise of the other players?

Take a look at the next definition, which sets a new direction for value proposition development. Pay attention, and even read it a second time to identify what’s truly different about it.

### Buyer-Focused Value Proposition

A buyer-focused description of value that demonstrates your knowledge about the buyer’s experience or challenge and your specific offer to address it, underscored by what differentiates your offer from any other.

Figure out the difference? The major distinction is the point-of-view that is embedded in the value proposition. It’s not about us or our offering. It’s all about the buyer. It’s about showing that we understand the buyer, that we have a clear picture of their experience (i.e. their challenge, issue, objective or goal). Our response to that experience is specific and relevant. It is differentiated by what truly makes our offer stand out from market alternatives. It is buyer-centric, which is a far more engaging way of attracting and retaining their attention.
The Mirror as a Value Proposition Metaphor

We need to shift our own perception of what a value proposition is, in order to better align ourselves with what the buyer needs. Let’s think about the value proposition as being a mirror, the kind that each of us looks into every day!

Every time someone looks at a company – the website, the marketing content, listens to or reads the value proposition, talks to a sales person - they look in that mirror. Right now – today – what do they most often see? Is it your company’s face or is it their own?

As business people, we typically think that our own “company face” should be there. Our organization is vested in talking about its own offer. And on many levels, that makes sense. But the reality is that buyers are trying to decide who is best suited to help them and who understands them the best. What they are seeking is their OWN face to be reflected in the “mirror” of our value proposition. That’s right – they want to know that we understand and “get them.” Their preference is that we can show a deep and informed understanding of their experience.

Seeing their own face reflected back at them is the most effective way to get that point across. The view must change from the typical “all about us and the stuff we want to sell you” approach to the one more favored by today’s sophisticated buyer. We must start with the buyer in mind when we construct our statement.

We all know that the buyer is inundated with marketing messages galore from our competitors. Some of the solutions they are reviewing may not even be recognized as being viable alternatives. But that doesn’t stop them from getting consideration. Both real and perceived competitors will be going head-to-head with us on our offering and messaging.
Comparison of features and benefits is increasingly not enough to get the upper hand. Standing out by talking about oneself has never been harder than it is today. How do we make our offer more attractive in the face of all that?

Here is the reality: companies who demonstrate true buyer knowledge within the context of their value propositions are rewarded with earlier engagement with their offerings, a better shot at being on the buyer’s short list, and an increased likelihood of being chosen. As we mentioned at the beginning of this chapter, 96% of our surveyed buyers ended up making a purchase from the vendor who prepared the most relevant value proposition aligned with the buyer’s interests and needs.

**Becoming Buyer-Centric is All About Relevance**

The key to vendor selection in today’s buyer-controlled sales process is relevance. Our research study sheds some light on what matters to buyers, how it impacts their decisions, and what weaknesses they experience in the value propositions they consider. While this may seem obvious, it has unequivocal implications in how our offering is perceived throughout the buyers’ journey. If we do not demonstrate relevance in the early stages, we will be disqualified long before we have an opportunity to engage. If it isn’t relevant, go home!

How much of an issue is relevance in making buying decisions? Three out of every four respondents (76%) said that poor alignment of value propositions with buyer needs significantly reduces a vendor’s prospects for being recommended for the shortlist, while 68% said it reduces the likelihood of the offer being purchased. Not only does relevance matter as a buyer gets acquainted with our offering, but also it must be sustained and expanded as the buyer moves through the complete buying process.

The first thing we need to do is gain a solid understanding of the types of value propositions that are in use, how each type differs, and the factors to consider as we begin to
build or retool our value proposition approach. A lot of weak value propositions are out there – many more than strong ones. Why? Because creating a compelling value proposition is hard work! But there are some clear choices involved that will help us make informed decisions.

As mentioned earlier, most marketers never receive training on how to write a value proposition. We imitate others or use a format that the company has given us, or we look up “how to” on the Internet. These approaches can help in creating value propositions. But here’s a thought: what if we let our buyer help us craft the right story?

## VALUE POINTS

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What is a buyer-focused value proposition?

A buyer-focused description of value that demonstrates our knowledge about the buyer’s experience or challenge and our specific offer to address it, underscored by what differentiates our offer from any other.

When it’s time to buy, members of the buying group pick their favorites based on which vendor has presented a value proposition most relevant to their needs.

If our value proposition does not align with buyer needs, most buyers won’t recommend us for the shortlist or purchase our offer.