



How to write a
valuable value proposition



CONTENTS

Write a valuable B2B value proposition..... 3

What is a value proposition? 3

Why do I need a value proposition? 3

What makes a valuable B2B value proposition?..... 3

How to write a valuable B2B value proposition? 4

Four Great Tools to help you write a compelling B2B Value Proposition 6

Write a valuable B2B value proposition

WHAT IS A VALUE PROPOSITION?

Despite being used widely in business strategy discussions and online, value proposition is a misunderstood term. There's many marketing terms that seem to cover the same thing: slogan, brand tagline, USP (unique selling proposition), positioning statement and value proposition. Each of these has their use and should be considered as part of your overall B2B branding planning.

To put it as simply as possible, a value proposition is a clear and concise statement of:

1. what you will deliver (whether it's a product, service or solution)
2. why it's valuable, and
3. your promise that you can deliver what you state.

A good value proposition is the key reason why a prospective customer will buy from you and should be used in all your interactions with clients: from phone calls to emails to sales presentations.

WHY DO I NEED A VALUE PROPOSITION?

B2B decision-makers don't care about what you're offering. They only care about what it does for them, how it helps them by solving a problem or improves their current situation.

The latest statistics show that we now have a shorter attention span than a gold fish. If you're reaching out to someone, you only have 8 seconds to get your message across and try to keep their attention.

Similarly, if someone is researching the product or service you offer (AND if they can find you), you have to be able to stand out amongst through all the other competitors and messages.

WHAT MAKES A VALUABLE B2B VALUE PROPOSITION?

Your value proposition should describe what makes you clearly the best choice for your specific target audience.

One of the main reasons value propositions don't work is that companies try to write a value proposition that includes too many audiences. By doing so, it makes the value proposition too generic and doesn't resonate with anyone.

A good value proposition includes four elements:

1. It is targeted: you know who you're speaking to and what their issues or motivational drivers are
2. It is relevant: It explains how your product solves their problems or improves their situation
3. It has a quantifiable value: you can demonstrate specific benefits and how they can be delivered
4. It is unique: it tells your prospects why your offer is better (and therefore more valuable) than your competitors.

HOW TO WRITE A VALUABLE B2B VALUE PROPOSITION?

Noted sales expert Jill Konrath has a great tool to create a compelling B2B value proposition. Considering the four elements that need to be included in a good value proposition, Jill recommends using three key characteristics to write a strong, customer-enticing value proposition:

1. Business Drivers

Determine the primary business reasons that customers would use your offering. This is what decision makers really care about.

- lead conversion rate
- compliance
- collections
- downtime/uptime
- cost of goods sold
- operating costs
- labour costs
- productivity
- share of customer
- time to profitability
- waste
- turnaround time
- customer retention
- profit margins
- market share
- time to market
- lifetime customer value
- sales velocity
- inventory turns
- employee turnover

2. Movement

Customers won't change unless your offering is significantly better for them than their status quo. A strong value proposition always includes movement.

- increase
- cut
- improve
- save
- accelerate
- reduce
- enhance
- squeeze
- strengthen
- improve
- grow
- balance
- free up
- eliminate
- minimize
- revitalize
- shrink
- maximize

3. Metrics

Adding metrics makes your value proposition even stronger and more believable. Don't round your numbers either. They're more believable that way.

- Time frame
- Dollar amount
- Percentages

FOUR GREAT TOOLS TO HELP YOU WRITE A COMPELLING B2B VALUE PROPOSITION

1. OUR PERSONAL FAVOURITE

Vlaskovits & Cooper's Customer-Problem-Solution

In their Entrepreneur's Guide to Customer Development, noted authors Cooper and Vlaskovits term the "Customer – Problem – Solution" approach to help break down what a business does from the perspective of a customer and solving their key problem.

The Template:

1. Who is your customer?
2. What is their problem are you solving?
3. What is your solution for their problem?

Example:

1. I believe my best customers are small and medium-sized business (SMB) IT managers.
2. Who cannot easily and effectively manage their range of suppliers because they have no processes or tools to ensure they are maximising their benefits.
3. Simple to use and share software that manage all the elements of a diverse range of suppliers, their agreements and their contracts.

2. FOR THE STARTUP

Venture Hacks' High-Concept Pitch

In Dan and Chip Heath's marketing bible "Made to Stick", they tell the story of how top-level, concept pitches such as 'Jaws on a spaceship' (Alien) and 'Die Hard on a bus' (Speed) help time-poor movie executives to gamble huge amounts of money in a film on the basis of almost no information.

The Template:

[Proven industry example] for/of [new domain].

Examples:

Flickr for video.

If Google for legal advice.

3. FOR NEW PRODUCT EDUCATION

Steve Blank's XYZ

Steve Blank breaks down a Value Proposition to the simple, but effective “what are you building and selling?” He recommends the following format for creating a value proposition statement that other people understand.

The Template:

We help X do Y doing Z.

Example:

We help manufacturing businesses reduce logistic overheads by up to 43% managing and outsourcing their distribution divisions.

4. THE CUSTOMER DRIVER APPROACH

Clay Christensen's Jobs-to-be-done

According to Harvard Business School Professor Clay Christensen, designing an innovative customer value proposition begins with genuinely understanding the customer's jobs-to-be-done (JTBD).

JTBD does focus on your product, service, or solution. It focuses on the purpose your customers buy your products, services, or solutions. Christensen argues that customers don't really buy products. Instead, they “hire” them to do a job. The JTBD method asks what fundamental problems they hope to address instead of what customers want to buy.

The Template:

1. Action verb
2. Object of action
3. Contextual identifier

Example:

The iPod is not a music storage and playback device. The iPod allows you to listen to music wherever you are.

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agency™**