

What is your value proposition?

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We would probably all agree that it's a good idea for our company products to have a "value proposition". However, I wonder if we ever stop still long enough to reflect upon what it should actually be - or take the trouble to review our portfolio of "value propositions". Even though everyone in marketing and sales talks about these things as though they are actually written down somewhere, sadly I believe this is very seldom the case. Yet value propositions are something over which IT vendors should be able to exercise complete control. The value proposition ought to be about the values the customer will realise from adoption of the solution - essentially a distillation of the main benefits of the product or solution offer. Ideally it should include explicitly the company's differentiation. So what's the problem?

In an enterprise, establishing a single action that leads to a specific benefit is almost impossible. Similarly, it is seldom clear that a specific investment led to a specific effect. Too much is changing and processes are interlinked in complex patterns. Success in one enterprise is no guarantee of success elsewhere - too many other factors may play a part. The value proposition has to be appropriate for the person or team you are selling to at a point in time - at another time, or with a different team, the value proposition may need to be very different. Lastly, to be credible with customers you need to be able to offer evidence in support of the proposition. Value propositions that fail to meet this criteria aren't worthy of the name.

The differentiation piece of the value proposition is actually all about the "position" the company (or product or solution) takes in the market. You choose to be better than your competitors at one specific thing and that provides the differentiation. If you pick something that customers already value, or can be taught to value, your company will be successful. You will be most successful with those customers for whom this specific thing has the greatest value. In the bad old days, when we only had to sell products, this was quite a bit easier. It also helps if you are selling the same kind of product to the same kind of person every time - because it is easier to anticipate what they will value (and produce the supporting evidence). And, of course, the objections they will raise - so that you have suitable responses (and evidence) available.

In fact, the further down the solution selling road that you go, the harder it becomes to formulate a value proposition. Perhaps we need to get back to some really basic truths with which all sales people are familiar. The first job is to sell yourself. Next you've got to sell the company you represent. After that you can worry about the details of the solution.

The first of these is personal - let's take that as read for the moment. The last is with the marketing teams for individual product or solution offerings. The second is the responsibility of corporate marketing - what is the core value proposition of doing business with my company? And remember, it needs to be about benefits - customers must believe your solution will deliver exactly what they need. Failure to deliver on this last point means that, while you may win a project, you will limit your opportunity to develop the account. Most of the big IT players are present in most of the accounts. Gaining share of wallet means making sure the customer knows

why your company has the flexibility to provide the solution they want, with specific skills, techniques and products that deliver this better than the competition.