

## **Leading with a “Value Proposition”**

For years, one of my favorite tools for creating initial interest with a client or prospect is by leading with an initial Value Proposition. The goal of using one early is to build enough curiosity and credibility that the prospect wants to move to the next step with us. There are several pre-requisites that are necessary for you to be successful in initiating a sales opportunity with a Value Proposition:

1. An existing “like” customer has already achieved a specific tangible result using your services. (If you are trying to build a potential Value Proposition around a *new service* where no client results have been generated thus far, you can develop a “potential” result that is based on research, an article, etc.)
2. Based on prep work, you have a thorough understanding of a prospect’s situation. For example, you have reviewed their financial results in their Annual Report and have determined that the prospect has a “like” situation to an existing client with which you have had a success.
3. Based on the success of Customer A and your knowledge of Prospect B, you are able to build an initial Value Proposition for Prospect B. In other words, you have been able to develop projected results for a prospect that might use your services based on measured results from an existing customer.

Most Value Propositions used by salespeople are actually *worthless*. An example of a poor Value Proposition is: “We can make you more efficient and help you save lots of money by using our state-of-the-art service!”

There are two possible approaches to projecting potential results for a prospect that we recommend:

- Prospect-Owned Projection: “Based on the results of Customer A . . . , how much do you think you could achieve?”
- Seller-Owned Projection: “Based on the results of Customer A . . . , we believe that you should be able to achieve!”

The general format of a Seller Owned Value Proposition follows:

*“We believe [client name] should be able to [improve what] by [how much, what %] through the ability to [do what?] as a result of [what enabler, technology, service?] for an investment of [what relative cost?].”*

A detailed example a Seller Owned Value Proposition follows:

*“Based on our initial research, we believe that ABC Company should be able to increase sales revenue by 10% each year (valued at \$10M potential revenue or \$3.2M in profits annually) through the ability of your customers to place their own orders as a result of our e-commerce services, for a 3-year investment of approximately \$1.15M. Would you be interested in exploring how our capabilities might actually help you?”*

A possible response by the prospect when you lead with an initial Value Proposition is: “How did you come up with those numbers?” At that point in time, you had better be prepared to share with the prospect the *assumptions* that you made to develop those numbers. You may also choose to communicate that, *“While these projections are based on our work with others and our initial (unilateral) understanding of your company, we would now like to take the time to ask some questions in order to learn more about your specific situation. Will you give us that opportunity?”*

In summary, by leading with a Value Proposition, you are trying to demonstrate several things:

- You have had success with others
- You have made assumptions based on an initial analysis of your company and the work we have done with others
- You have earned the right to learn more about your specific situation

If you would like to learn more about how we have helped other companies apply the concept of Value Proposition to their business development efforts and how we might help you, let us know!