

Create a Compelling Value Proposition

by John Cebrowski

Have you ever said to yourself, “I must have it,” in reference to a product or service?

Inner drive and passion separate a simple value proposition from a compelling value proposition (CVP). An ardently desired good or service will overcome alternative investments or other obstacles to justify what you want to do. Buying decisions associated with CVP's are built on a combination of sound rationale, passion, and confidence. People tend to fall hard, quickly, and repeatedly in response to a CVP.

A CVP is an array of differentiated and irresistible product tangibles and intangibles, exceptionally satisfying or important to potential possessors over the life cycle of the product or service, prompting a decision to purchase. The CVP is a basketful of values that, when positioned as a whole product, satisfies customers in ways that are important to them. Enduring success occurs when the total value is satisfying.

Your challenge is to create and maintain that CVP at a healthy profit. Interestingly, profit is less of a challenge when you have a CVP. If you're running a profitable business, you already have one or more value propositions. But there is always room to enhance desirability and differentiate yourself further. Yes, a reasonable value proposition can keep you in business—if survival and plodding is where you want to be. But expect constant stress in multiple forms from varied directions. If you seek growth, market dominance, and long-term staying power, you will need a CVP.

How do you know if you offer a CVP? You measure the right things: sales, repeat business, capacity utilization, customer feedback, analyst inquiries, press interviews, website hits, requests from distributors or retailers to carry your goods, market shares and trends, and stock price. Some of your measures may be unique.

How many businesses do you patronize because there is a special feeling and a very satisfying end result

associated with doing so? How many businesses deliver—in a first-class manner—all of the facets of a purchasing experience that are important to you? Have you ever stopped to analyze all the reasons why those firms make you feel that way? Can you take away, and apply, some positive lessons?

Conversely, how many businesses have you frequented only once? Dissect those situations as well. Is your firm engaged in some of the same practices? If your value proposition is frozen in time and place, you will constantly be offering special “deals.”

There is only one judge to determine if you have a CVP—the marketplace. Don't delude yourself into thinking or believing you have a CVP. You'll be told if you do, and you will be told what it is. And the market will never stop telling you. Your CVP is what your customers say it is—and to find out, all you need to do is ask.

Five Ways to Build Your CVP

It is never easy to create a CVP, but you can improve your odds by taking the following five actions:

1. Start with unrelenting and obsessive dissatisfaction of the status quo. Agitate everyone to enhance the value proposition. This dissatisfaction—and accompanying desire to create what is compelling—will be your CVP engine.

2. Identify, qualify, and quantify the values and expectations of customers. Accept how customers evaluate your current value proposition. Look for gaps and opportunities. Know how the customer measures your competitors against those values and expectations. Map your customers' current buying processes and preferences and seek ways to enhance them. Seek real-time feedback on how you are perceived. Personally get out in the marketplace more to listen closely and ask candid, penetrating follow-up questions.

3. Practice inclusiveness in creating, implementing, and maintaining the CVP? All employees can be viable contributors. The ones who touch customers and sales partners are often both the sensors and the deliverers, but everyone is a creator. Hold your people accountable for ideas and reward them. Challenge your people to offer suggestions

to embellish your CVP—and receive those suggestions with gratitude. Also include customers and sales partners, collaborating on mutually beneficial initiatives. A cross-functional CVP team should guide the way.

4. Exhibit a bias toward the soft stuff. Think of your personal buying and service experiences. Customers and sales partners expect certain behaviors, such as understanding, respect, civility, judgment, empathy, thoughtfulness, listening, responsiveness, delivery on promises, and sincere gratitude. Some people are naturally better than others at delivering those valued behaviors. How many times do you place, or leave, people in customer-centric positions even though they don't have the talents or interest? Training is only a partial answer. Hire people who embody those values.

5. Hawk the pursuit. Put a regular item on the agenda to challenge your CVP's. Bring customers and sales partners in, and listen. Then assign action items out of the disclosures and debates. Don't wait to feel the pain before you do something.

Make it a goal to have the marketplace regularly say, "We must buy it," when they talk about your goods and services. It is more enjoyable, rewarding, and profitable to work for organizations that offer compelling value propositions.

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