



## How To Use Value Propositions

Value propositions are statements (not guarantees) that attempt to project the potential quantified benefit (value) to the customer and his or her organisation.

The term value proposition may be one of the most overused industry phrases. It seems like everyone is using the term or claims some sort of value proposition. The problem with overused terms is that buyers become resistant to them and the intended purpose gets lost. To make matters worse, companies, account managers and salespeople use value propositions that actually do not communicate any value at all. For example - "Our company can make you more efficient and help save you lots of money by using our state of the art software."

To be effective, value propositions must be simple, clear statements directed at a specific and targeted customer, which include the quantifiable benefits they can achieve by solving business or organisational problems and the investment needed to make this possible.

For example: "We believe that you should be able to increase sales revenue by around 10% (\$10M of potential revenue and \$3.2M in profits annually) per annum by enabling customers to place their own orders allowing salespeople more business development time, for a 3 year investment of \$1.15M."

You build the value proposition by taking the data of previously successful customers and overlaying those results on to your target customer's situation and then extrapolating what the results would be for that customer.

Value is a rich ingredient in selling, even at the early stages of the sales/buying cycle. Value helps to stimulate interest and curiosity and can move customers from little or no interest to active curiosity in what you are selling. Value can be a significant commercial aphrodisiac - if used correctly!



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