



# ROCK YOUR CUSTOMERS' WORLD

*How to create value propositions that set your company apart and win business*

*Does your sales and marketing message resonate with your buyers? Is your content effectively connecting with customers?*

**SHAKE**  
MARKETING GROUP

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# ROCK YOUR CUSTOMERS' WORLD

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*Hit the high notes and become the 6% who make the final customer gig....not the 94% that get tuned out*

**T**oday 52% of the companies who were in the Fortune 500 in 2000 are no longer on the list. They fell off due to bankruptcy, mergers and acquisitions or by being replaced by better performing companies.

As competition and innovation rapidly heat up, what is your organization doing to survive or thrive? In this ebook we focus on the single biggest contributor to the success of failure of companies - staying in tune with customer value. We provide you with a tool to help you **Rock your customers' world** by showing you how to create **MusicAL value propositions**.

Without customers, your firm will die. Without resonating value propositions that set you apart from competitors, your firm will die. It's time to go back to the basics by putting a focus on creating value for your customers.

**Are you ready?**

*Customer-centric organizations are 60%  more profitable than companies that are not focused on the customer. (Deloitte and Touche)*

# #1: TODAY'S CHALLENGE



*Marketing departments are producing more content than ever before. And yet, only 30% say their organizations are effective at content marketing.*

In a world where customers are being bombarded by marketing content, it's imperative to cut through the noise with resonant marketing content.

In this omni-channel era where potential buyers get lots of product and company information online, are you tuning into your customers or are they tuning you out?



Companies are creating a lot of noise, but failing to resonate with their customers.

**67%** of buyers have a clear picture of the solution they need before they engage a sales rep.  
(Sirius Decisions)

**94%** of potential customers have disengaged with vendors because of irrelevant content.  
(Corporate Executive Board)

**58%** of deals end up in "no decision" because sales has not presented value effectively.  
(Qvidian Sales Execution Trends 2014)

**If you can't tune into customer value you will be left to compete on price. And.....**

A **5%** decrease in price, results in a **16%** drop in profitability.



## IMAGINE...IT DOESN'T HAVE TO BE THAT WAY

Organizations that put in place a formal program to continuously capture customer intelligence and insights and connect the dots for their prospects on how their organization can uniquely solve their challenges will prosper. Aberdeen group found that organizations who do this typically grow by over 21%.

**91%** of executives would share content if valuable.  
(Sirius Decisions)

**53%** of companies say their loyalty is enhanced by the sales rep if they bring valuable help and insights.  
(Corporate Executive Board)

Developing a customer value-led approach can lead to at least a **10%** growth in revenue.  
(Malcom Macdonald)

*So..Do you want to turn your customers off or tune in to  
Rock your customers world' with MusicAL value  
propositions?*

# #2: WHAT IS A VALUE PROPOSITION?

Let's start by defining what a value proposition is, as this can mean different things to different people. You may want to start by getting a shared definition for your own team.

**A value proposition is a promise of expected future value, illustrating future relevant and distinct benefits that will outweigh the total cost of ownership.**



In other words, value propositions are promises of the value you hope to deliver to the customer in the future. But this cannot be done unless you are clear about what is valuable to the customer. This requires a level of effort to understand customers and their issues.

Ultimately for a value proposition to 'Rock Your Customers' World' it needs to resonate with them. To write a song that they will love, it has to contain words that they respond to - full of the value they are looking for. You'll also need to sound better than all the other bands in town. That's why we've created the MusicAL value proposition framework...

## **MusicAL value propositions hit all the right notes**



**To create harmony with the customer, your value proposition should include:**

- ✓ Monetary calculation - of financial benefits minus costs
- ✓ Unique - things that set you apart from competitors
- ✓ Spend (costs) - how much the customer is prepared to pay
- ✓ Impact - how it will positively impact the customer organisation
- ✓ Capability - what it is that you can do for the customer to make this impact
- ✓ ALigned - to the key needs of the customer



# #3: WHY ARE VALUE PROPS IMPORTANT?



## Value propositions deliver results

It is recognised that providing customers with something they value that is different and better than competitors, is increasingly a challenge. In a world where technology moves quickly, having a product advantage over a long period of time is a pipe-dream.

**In an increasingly competitive world where products are often the same, your value proposition approach can be the thing that sets you apart in the market**

Research by Professor Malcom McDonald

has shown that only **5%** of organisations are using financially quantifiable value propositions. So there is clearly an opportunity for you to differentiate your organisation.

Financially justified value propositions help you increase profitable sales in a number of ways:

- You will close typically between 2% and 10% more deals
- You will reduce discounting by 20 to 30%
- You can get 10-20% uplift in ROI on marketing campaigns
- You will reduce the number of “no” responses or delayed decisions

*According to Forrester, 87% of marketers in a recent survey say they struggle to produce content that truly engages their buyers.*

### Don't be a product pusher!

TIP



#### It's not all about the product

Even if sustained product differentiation was possible, is it really what customers want?

In 'Agile Selling' Jill Konrath notes that buyers increasingly keep sellers out because their experience with most are “Product-pushing peddlers who don't bring any value to the decision making process, ask stupid questions, offer minimal insights and give boring presentations.”

A C-Level respondent to a Forrester survey echoed this! “I just spent the last 30 minutes with a salesperson in a well-known company who gave me a stack of brochures almost as big as a phone book to look through. It's as if he expected me to wade through all of that material to find the needles in the haystack for how they can help me.”

# #4 CREATE THE MELODY



**We recognize it's not easy to create the tune from scratch. So...here is a template that you can use when you are developing a value proposition to sell to a new customer.**

You (customer) will (enhance what) by (amount) as a result of implementing (your solution) for (cost).

By (date) you will be able to demonstrate that the benefits (insert) outweigh costs (insert).

We can uniquely provide (insert point of difference to competitor linked to customer need)

We (your company) commit to review progress with (customer) every (insert review period). The review will examine whether the promised benefits of (insert benefits) have been experienced in-use.

What we recommend is that for every potential new sale, you should aim to have a completed value proposition at the front of your 'pitch'. Of course it won't need to be a pitch because you'll have engaged in conversations with the client that have helped you complete the template.

We helped an organisation implement this approach by putting value propositions like this at the front of all their bid response documents. This resulted in a 12% increase in their win rates.

The rest of the ebook will be about helping you complete our MusicAL value proposition template.



*Adding a MusicAL value proposition to all of your new sales proposals can improve your win rate by over 10%.*



# #5 WHAT DO BUYERS VALUE?

The first line of the melody you are trying to write begins: 'You (customer) will (enhance what) by (amount)'. To write this crucial opening line in a way that resonates with the customer, you must know what they are trying to improve.

The opening line to a value proposition we helped write began:

*'Trade Co will enhance revenues by £1m as a result of implementing our ecommerce solution for 50K'*

This was for a website ecommerce solution, and the value proposition took the discussion completely away from price.

To be able to effectively write the opening line, you have to research your customer ahead of time. Look at analyst reports, business press and their investor relations site to form a view on what their issues are.

This will create a great platform for you to talk about the customer's issues before you jump to your solution. Crucially go and speak to the executives who will be impacted by the potential purchase and find out exactly what their issues are and the benefits they are looking to get from your solution.

Remember there are typically 5.4 executives involved in buying decisions - so you need an opening line that can address each one.



**Buyer value: Does the song remain the same?**

Like 12 bar blues, you have a formula in our MusicAL value propositions that will keep customers rocking. The theme of the songs will be largely the same, as all organizations are interested in revenues, costs, efficiency, productivity, customer satisfaction and competitiveness.

What's important is playing in a key that's in tune with the customer...with lyrics that exactly resonate with their pain-point...just like all good blues songs.

## Overused..snooze words



**Snooze...You Lose**

*The MusicAL value proposition approach gets you away from using all those over-used words seen on company websites:*

*'Comprehensive end-to-end solutions',  
'World-class', 'Innovative',  
'Expertise and experience'*

*Recognize any of these?*

**By being clear about the benefits the customer is looking for, the opening line of your value proposition is about them *not* about you.**

Tip

# #6 MEASURE THE BENEFIT



## What's in it for the customer?

You probably know all of the features associated with your product or service. But customers don't buy features. They want to understand how your solution will benefit them. In other words, what do they get by purchasing and using your product?

Start by making a list of how your product or service helps improve the lives of your customers. This could be business-related, such as reducing departmental costs, or it could be personal-related, such as improving their job satisfaction by reducing or eliminating mundane tasks. Once you've figured out how your product benefits your customers, determine how you can quantify each of the benefits. See examples to the right.

Remember - if you don't get the benefit side nailed, the discussions can only ever be about price.

You (customer) will (enhance what) by (amount) as a result of implementing (your solution) for (cost).

### Examples:

#### Our solution helped....

- ✓ *Improve efficiency by x%*
- ✓ *Increase revenue by x%*
- ✓ *Shave x months of time off new product development*
- ✓ *Increase employee productivity by x%*
- ✓ *Reduce business operating costs by x%*
- ✓ *Improve customer retention by x%*

## What's the difference between a Feature, Advantage and Benefit?

<b>Features</b>	Product capabilities and characteristics. <i>For example:</i> The car has cruise control.
<b>Advantages</b>	What your product enables your user to do. <i>For example,</i> you can maintain a consistent speed on the road.
<b>Benefits</b>	What you will get out of using the product/ feature. <i>For example,</i> peace of mind that you won't step on the gas and get a speeding ticket.

# #7 BE U2 - UNIQUE AND USEFUL



*Your buyer is confused enough with all of the choices available. Is your firm's message truly differentiated and unique? The test – take an existing piece of marketing collateral and cover up your company's name. Show it to your sales team to see if they know which firm produced the collateral. If they don't, you have some work to do to develop a truly unique value proposition for your firm/product offering.*

## Don't rock your customers to sleep

You have already begun to demonstrate your uniqueness by taking the MusicAL value proposition approach. What else sets you apart from your competition?

Have you compared your website with competitors? What did it tell you?

Bet you were all “innovative”, “best-in-class”, and provide the “best customer service”!

You should be aiming to demonstrate how you can *uniquely* deliver customer value, in terms that the customer recognises as value.

Remember the line you are trying to complete is:

We can uniquely provide (insert point of difference to competitor linked to customer need)

Call out unique factors that are specific and meaningful...not generic.. 'world-class service' type statements.

Again what did your customer say was important? Did they have concerns that the website was secure? Were they worried about it being available 24/7? This kind of information can be unearthed at client meetings and by getting constant media feeds about your client.



For example, have they had any customer database security breaches?

Let's say this is the case. This means the second line could be:

**We can uniquely provide 24-hour website monitoring and security protection**

So at this point you have to prove you are useful to the customer by calling out something that you can do for them. You will also have to be sure that you can do what your competitor can't...a point of difference.

Make sure you know enough about your competitors to be able to fairly claim a point of difference.

# #8 VALUE VS. PRICE

You may think you are showing your buyer how well you understand their industry, but using too many acronyms and vague business terminology can slow down the decision making process and lead to confusion. Your goal is to simplify the message so that your prospect can clearly see the benefits of working with your firm.

## How much the customer is prepared to pay

You will note that we have largely dealt with this in the Monetary calculation section. The key points to note are:

If you have nailed the benefits that you can deliver for the client, then the cost side of the equation should dramatically reduce in significance. If you can give the client confidence that you could help deliver £1m for a £50k investment, they may not burn too many calories arguing about price.

Focus on total cost of ownership, not just the ticket price of the item. Cheaper things usually break more often which can mean more down time and more repairs. Higher price goods can last longer and are often more reliable. Make sure that the customer understands they may not be making like for like comparisons.



## Show value or no deal

Remember that 58% of deals end up in “no decision” because value has not presented value effectively to the customer.

We're off to a rocking start because we've presented quantifiable benefits. The customer will only tick the yes box if you can demonstrate that there is value in the potential deal.

If Value = benefits – costs, can you demonstrate that your solution can deliver ?



## Keep the spotlight on 'value'

By now you have presented monetary value which got the customer rocking.

In the 'bridge' you need to show that the benefits outweigh the costs....to make the customer want to buy your album.

Make sure you call out what the total cost of ownership (TCO)...because the cheapest guy won't!

Total cost of ownership =  
search + installation+ ancillary +  
running + maintenance + insurance

# #9: DEMONSTRATE IMPACT



*95% of executives require formal financial justification on any significant purchase decision (IDC)*

You can see that the first consideration that enables you to get to a monetary calculation is an understanding of what it is that you are trying to impact in the customers' world. It's important here that your organisation is singing from the same song sheet at all the gigs they perform. Through the website and all other channels of communication, it's helpful that you talk to the customer about things that resonate....**and rock their world.**



To make the sale you will have to understand the customer's problems and demonstrate you can impact them - financially, first and foremost.

Make sure you can financially justify impact and promise to review it

The good news is that while 95% of executives say they require financial justification to support any significant purchase (IDC) only 5% of your competitors present financially quantifiable value propositions (MacDonald).

So few companies we speak with actually do this with there customers...why not?

So...adopting this approach, in a world where products are often very similar, can be the thing that sets you apart. And here's another thing.....

At best if you can demonstrate you have delivered the value you may get the same or more gigs.

## **You won the gig...now for the encore**

If you did win the gig because of your awesome value proposition, remember it was only based on your *promise* of delivering future value. In our musicAL value proposition, we commit to reviewing *actual* value delivery with the customer - value 'in-use'. So here you need to pen the final line to the song:

If the benefits are not being realised you can put a plan in place that gets the customer back on track. It may well be that the customer needs to do something more to implement the solution effectively.

*We (your company) commit to review progress with (customer) every (insert review period). The review will examine whether the promised benefits of (insert benefits) have been experienced in-use.*

# #10 COVER YOUR CAPABILITY



*93% of organizations tie their messaging directly to product and services...even though 71% of executives say this tunes them out. (Source: CEB)*

In the first two lines of our lyrics, we led with customer benefit and followed up with our capability.

**TradeCo will enhance revenues by £1m as a result of implementing our ecommerce solution for 50k.**

**We can uniquely provide 24-hour website monitoring and security protection.**

The capability here is the combination of the ecommerce solution along with 24 hour web site monitoring and security protection. The key is that they will help deliver the £1m upside in revenues, which is the key benefit that the client is looking for.

You may have other unique capabilities that you offer (and that the client cares about), that your competition doesn't. In this case, it could be having a dedicated service and account manager. It could be having easy access and escalation to senior managers. The point is to take time to find out what your client is looking for that gives you a chance to provide an **Extra Value Proposition (EVP)**. It doesn't have to be anything complicated, just simple and unique. Remember, none of the usual blah, blah, blah.....'world class', 'end to end', 'innovative...that your competitors sing about.

Your value proposition may well include an emotional dimension. For example, the peace of mind the customer can expect from the unique way you will provide monitoring and security protection.

**Don't Forget**...what the client needs is revenue growth with the peace of mind of a safe and secure trading environment. Do you lead with the client needs or just talk about product features?



*Leave space to talk about the customer first, BEFORE your capabilities.*



# #11 ALIGN TO THE CUSTOMER



*Make the song memorable and different...and about the customer.*

Once you've developed your value proposition. Here's the final test. Are you truly aligned to the customer? If you have not nailed this properly, then the value proposition you end up with is just a hollow promise.

If you take a look at what commentators say make a great song, they will often talk about providing fresh perspectives... say it, but say it differently than it's ever been said before. Everything may have been written already, but there's always a new angle you can apply to a time honoured topic. Put a new perspective on an old theme.

So...make your song about the customer and offer something new...a fresh insight.

By now you have completed our MusicAL value proposition.

In our example the song could be:

***TradeCo will enhance revenues by £1m as a result of implementing our ecommerce solution for 50k.***

***We can uniquely provide 24-hour website monitoring and security protection***

***We commit to review progress with TradeCo every six months. The review will examine whether the promised benefits of £1m revenue uplift have been delivered by (date) through the ecommerce solution***

*According to Forrester, only 22% of vendor sales people understand the issues affecting buyers and how they can help*



## Great song....great value proposition

The things that make up a great song seem to tune into what makes a great value proposition.

Structure: Verse, Chorus, Bridge. Many hit songs follow this formula. To Rock your customers world, you need to follow a MusicAL flow that sings about *them* first and how you can help.

Fresh Perspective: put a new perspective on an old theme...give them fresh insight.

Heart: Make it from the heart. Talk about the pain they feel and be passionate about how you can help take the pain away.

*Now you should be ready to Rock Your Customers' World with resonant MusicAL value propositions.*

## *Stand out from the crowd*

In this multi-channel always-on world, organizations are creating lots of noise...and customers are tuning out.

Studies from lots of reputable organizations: Forrester, IDC and Corporate Executive Board (CEB) to name a few all point to the same thing. So does research from eminent professors, like Malcolm MacDonald...

Customers are looking for organizations that understand their issues and deliver value back to them. What they are getting is more content, more noise and more messages about product features...not value.

You can set yourself apart....while 95% of executives say they need financial justification for major purchase decisions (IDC) only 5% of your competitors provide this (Professor Malcolm MacDonald). 94% of executives say they will share insightful content...so make yours resonate.

Develop musicAL value propositions and Rock Your Customers' World.

If this rocked your world you can find more at [www.shakemktg.com](http://www.shakemktg.com) including our 'inertia buster' template designed to help you break into a competitor account.