



value proposition *n.* 1. The value one proposes one offers, usually to customers



Components

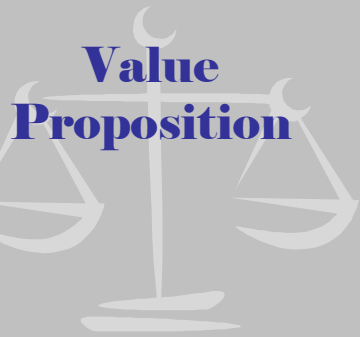
- Customer feels they are getting more than they are giving.
- Addresses potential customer business needs.
- Quantifies business needs and "solution gaps" that exist.
- Delivers a vision to fill the "solution gap."
- Articulates the proposed solution in terms of business value to the customer.
- Produces an anticipated payback (ROI) for the solution.
- Valued, unique, credible, sustainable, and fits well with the vision and organization

Value Proposition



External benefits

- Attract and retain customers through the development of greater loyalty
- Reduce the cost of customer acquisition
- Simplify the decision-making process so that we are the customer's first choice
- Differentiate from the competition
- Increase channel power
- Increase market share
- More readily allow for credible and successful new product introductions
- Create a common platform for consistent communications and messages to customers and stakeholders



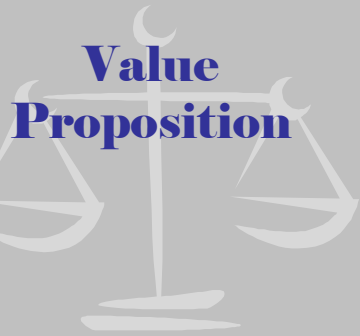
Internal Benefits

- Becomes the guiding principle behind everything done as a service provider and organization
- Sends a focused consistent message to all team members
- Increases the return on marketing dollars
- Provides focus for planning and day-to-day activities
- Guides decisions on the full range of functions that impacts the ability to deliver value to customers (every team member's role)
- Motivates team members to consistently deliver the defined customer value



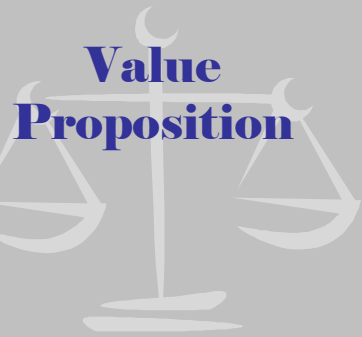
Crafting Internal Analysis

- a. In looking at the value chain (internal logistics > operations > external logistics > sales and marketing > service), how does your company create value?
- b. What are your company's core competencies and how do you differentiate yourself from the competition?
- c. What capabilities (internal and external—partners, alliances, joint ventures) can you bring to bear to execute against your value promise?
- d. Why should your value targets accept your particular offer (e.g., safer, better pay, more convenient, lower risk, etc.)?



Crafting External Analysis

- a. How do your value targets quantify (measure) the value that you deliver (e.g., how do you/they know when it's a lot or a little)?
- b. How do you link your value proposition to your target's needs and pains?
- c. How do you compare and differentiate the value that you deliver from the value that your competitors deliver (e.g., higher ROI or lower TCO)?
- d. How do you substantiate your ability to deliver on your value promise (e.g., track record, references, etc.)?
- e. How can you increase the return or decrease the risk, or both, in creating and delivering higher levels of value?



Example

Vision Strategic Marketing & Communications helps select companies with high growth potential to reach their business goals through marketing strategies.