

Varnex Spring 2015:

Creating, Illustrating, and Developing Meaningful Customer Value

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What is Value?

Contribution to a desired outcome
Prevention of an undesired outcome
Based on a blend of the decision-making team's objectives, priorities, and criteria

A complex, multi-dimensional, situational thing

Some parts of value can be measured, some parts can be felt

Value is a continuously moving target.

Why Value?

"All of the money you'll ever have is right now in someone else's hands."
Zig Ziglar

Does your customer value what you offer more than they value the money in hand?

If not, how can you shift that perception?

"Customers buy for their reasons. Those reasons are often different than you think and are frequently reasons that you don't take seriously."

Universal Value

Save money
Save time
Less pain
More fun.

Super Objectives

Money
Career
Financial
Love
Romance
Family
Spiritual
Health
Legacy.

How Value Contributes to Your Success

Value is the sum of your customer's decision strategy

"Until you understand your customer's objective, priorities, and criteria, your proposition has

no value."

The winner of the deal is the one who best aligns with the customer's value scope

The market dominator sets customer value expectations

Unexpected value can change the competitive game.

Creating Competitive Advantage with Value



You and Your Team's Role in Value Discussion

- 1) Identify value
- 2) Articulate value
- 3) Illustrate value
- 4) Deliver value
- 5) Preserve value.

What's Valuable for Some, Isn't for Others

Negative value
Neutral value
Positive value

Value Scope: Some Elements of Value

Efficacy: Doesn't work vs. works for the situation

Extrinsic Value: Functionless vs. function

Intrinsic Value: Worthless vs. worth

Availability: Scarce vs. common

Location: Here vs. there

Politics: Favorable vs. unfavorable

Legal: Illegal vs. permitted

Brand: New vs. established

Reputation: Tarnished vs. sterling

Authentic: Copy vs. genuine

Consistency: Variable vs. consistent

Reciprocal: Unequal vs. equal vs. good measure

Custom: None vs. highly customized.

Your Secret Weapon: Value Scope...

Adults never argue with their own data

Identify value through conversation and questions

Expand value through dialog

"I don't know if you've considered

this or not.."

"I don't know if this would be valuable or not..."

"You've probably thought of this, but..."

"This may not be right for you, but..."

Stay in agreement

"Yes, but..." when they disagree

"Yes, and..." when they agree

"I just want to make sure you consider all of your options."

Identifying Value Scope

"What will this be like when it works perfectly?"

"Who is most impacted by this situation?"

"Who wants things to remain as they are?"

"How will you measure success for this project?"

"How will you determine ROI?"

"How will you know who to choose?"

"How will your team members make their choice?"

Always Check Value Scope

Objectives change

"Is your objective still the same or have there been adjustments?"

Priorities change

"What are your current priorities?"

Criteria change

"What new factors are you considering when making your decision?"

Your Secret Weapon: Values

Values alignment trumps value

Culture defines values

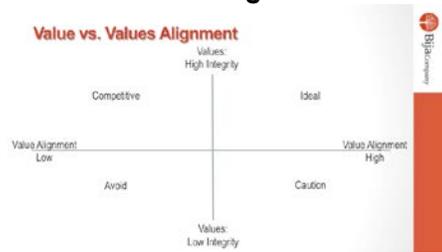
Values alignment creates competitive advantage

"How do we align with your culture and corporate values?"

"How important is that to you and your team?"

"How well do your other options align with your culture and corporate values?"

Value vs. Values Alignment



The Value of Sooner Versus Later

Price
Availability
Scarcity
Realize the outcome sooner
Financing
Trial
On approval
Demo, open box, scratch & dent.

Identifying Meaningful Return on Investment

“Who will be reviewing the ROI of this project?”
“How do you plan to predict ROI?”
“How will you measure the value of this project?”
“What’s the most valuable outcome you’re expecting?”
“What is the minimum ROI that your team will consider as viable?”

Protecting Your Value

Create value at every meeting
Expand your value at all opportunities
The more value you create, the more you can charge
Never devalue what you do
“You’d do the same for me.”
Make the invisible visible to those who count
Zero dollar invoices
Customer QBR.

Illustrating Value

Sign post it
“You told me that you find this valuable...”
Reinforce it
“What will this mean to you...”
Point it out
“You might notice that this contributes to what you find valuable.”
Use language that they value.

Value Communication Fundamentals

The person who wants to illustrate

value is responsible for the communication

How people communicate is situational.

You have to constantly adapt to their communication style.

How Will You Make This Work?

What will you change?
What will it be worth?
When will you do this?

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Using Communication Styles to Create Value

Need for Information and Detail

	General	Specific
Communicate:	Be direct, bottom line	Thorough, complete, precise
Persuade:	Summarize, charts, graphs	Break into incremental steps
Motivate:	Align with long-term plans	Include supporting docs
Presenting to both:	Stories, rules of thumb, bullets Executive overview CEO section	How to's, lots of details In-depth analysis CFO section

Information Sorting

	Match	Mismatch
Communicate:	Establish common ground	Debate the issues
Persuade:	Illustrate consensus	Validate with authoritative evidence
Motivate:	Invite them along	Plenty of proof
Presenting to both:	Social proof “Just like you...”	Suspend judgment “Now you might be thinking...”

Organization of Tasks

	Options	Procedures
Communicate:	Be flexible, let them jump around	Stay on track, numerate
Persuade:	Be the best of several alternates	Lead to single, logical choice.
Motivate:	Offer a set of alternatives	Structured decision making, cycle times
Presenting to both:	Headlines, bullets Table of Contents	Worksheets, “Prove it to your self” exercises Logical progression, page numbers

Focus of Motivation

	Internal.....	External
Communicate:	Ask questions	Offer opinions, testimonials
Persuade:	Suggest based on past experiences	Appeal to what others think
Motivate:	Align with personal vision	Awards, rankings, public recognition
Presenting to both:	Your success stories What's in it for them How to justify it for themselves	Other's success stories What's in it for others How to justify it for others

Level of Initiative

	Proactive.....	Reactive
Communicate:	Everything is their idea	Advise, spell it out
Persuade:	Something to say "yes" to	Prescribe specific solutions
Motivate:	Initiate, expedite everything	Push gently, involve others
Presenting to both:	Interactive presentations	Be entertaining

View of Objectives

	Toward.....	Away From
Communicate:	Potential positive outcomes	Potential negative outcomes
Persuade:	Return on investment	Opportunity cost
Motivate:	Seeking pleasure	Avoiding pain
Presenting to both:	The worth of moving forward Dream space	The cost of things remaining as they are Pain space