



# So, you think you have a Value Proposition?

October 11, 2022

# Value Proposition, what does that mean?

## Part 1: Occam's razor



- **Google (value proposition, definition)**
  - val·ue prop·o·si·tion, noun
  - **(in marketing)** an innovation, service, or feature intended to make a company or product attractive to customers
- **Investopedia (Value Proposition)**
  - The **value a company promises to deliver** to customers should they choose to buy their product
  - A value proposition is part of a company's overall **marketing strategy**
  - The value proposition provides a declaration of intent or a statement that introduces a company's brand to consumers by telling them what the company stands for, how it operates, and why it deserves their business
- **Wikipedia (Value proposition)**
  - A value proposition is a **promise of value to be delivered**, communicated, and acknowledged. It is also a belief from the customer about how value (benefit) will be delivered, experienced and acquired

# Value Proposition, what does that mean?

## Part 2: “I’ve got something to sell...”



- **Corporate Finance Institute (What is a Value Proposition?)**
  - ...a **promise of value** stated by a company that summarizes how the benefit of the company’s product or service will be delivered, experienced, and acquired
  - ...specifies what makes the company’s product or service attractive, **why a customer should purchase it**, and how the value of the product or service is differentiated from similar offerings
- **DecisionLink (Value Proposition Definition)**
  - A simple statement that communicates...**why a customer would want to choose [you]**...over your competitors
  - ...it must speak to your target audience in terms that are relevant and appealing to them.
  - A good value proposition is able to offer three highly important qualities:
    - Relevancy: ...how [you]...can improve a situation or solve a particular problem for your customer.
    - Differentiation: ...what makes your brand stand out from all other alternatives available in the market
    - Quantified value: ...delivering distinctive and measurable benefits to your clients
- **Strategyzer.com (Value Proposition Design)**
  - Describes the **benefits customers can expect** from your products and services

# Value Proposition, what does that mean?

## Part 3: the Academics



- Payne, Adrian; Frow, Pennie; Eggert, Andreas (2017-03-18). "The customer value proposition: evolution, development, and application in marketing". *Journal of the Academy of Marketing Science*.
  - Customer value proposition (CVP) has a critical role in communicating **how a company aims to provide value to customers**
  - Although usage of the term is widespread, scholars and practitioners both report a **lack of understanding and poor implementation**
  - **Relatively little research on this topic has been published**, considering the vast breadth of investigations of the value concept
  - Unfortunately, “the term value proposition...is **frequently tossed about casually and applied in a trivial fashion**” rather than in “a much more strategic, rigorous and actionable manner.”

# Value Proposition, what does that mean?

## Part 4: takeaways (mine at least)



- **It isn't about your competition; it's about the value you choose to offer and how your customers perceive that value**
- **You**
  - Your goals and aspirations (who do you want to be?)
  - Your products and services (what do you offer and how does that reflect your goals and aspirations?)
- **Customers**
  - What they want/need, do you have that (you won't for everyone)
  - Why should they get it from you (why not your competitors?)

# What isn't Value Proposition, competing terms (particularly in the context of proposals)



## Capture Strategy

- **Customer and Internal facing**
- Process of identifying opportunities, assessing the environment, and implementing winning strategies to capture a specific business opportunity by influencing the customer to prefer your organization and solution

## Win Strategy

- **Internal facing**
- Developed **12 to 24 months before the RFP** is released, and continually updated thereafter
- Define a set of **aspirational objectives**, which if all are achieved, essentially **guarantee our team is selected**
- Details necessary **actions to achieve those objectives** (campaign pursuit); these objectives **focus on shaping the procurement landscape** to our advantage as well as shaping our approach to meet the customer needs and concerns
- Strategy objectives and actions are **not directly included in the proposal**—they (hopefully) result in a change in the acquisition strategy by the customer (as seen in the final RFP)

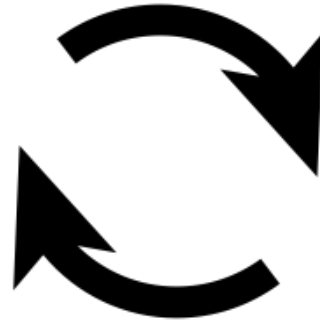
## Win Themes

- **Customer facing**
- **Recurring messages** included in proposals (proven frequently)
- Primary **messages to the proposal evaluators**
- **Add up** to why the customer should pick our team
- **Collectively message** that our solution is compliant, differentiated, risk managed, at an acceptable cost, and is the best value
- Though **repeated**, are not repeated over and over using the same wording —**indirectly woven into the proposal** by presenting proof and allowing the evaluator to draw the “win theme” as a conclusion on their own

# Developing and pursuing a compelling Value Proposition

## You

Who are we, who do we want to be?  
What value do we seek to offer?



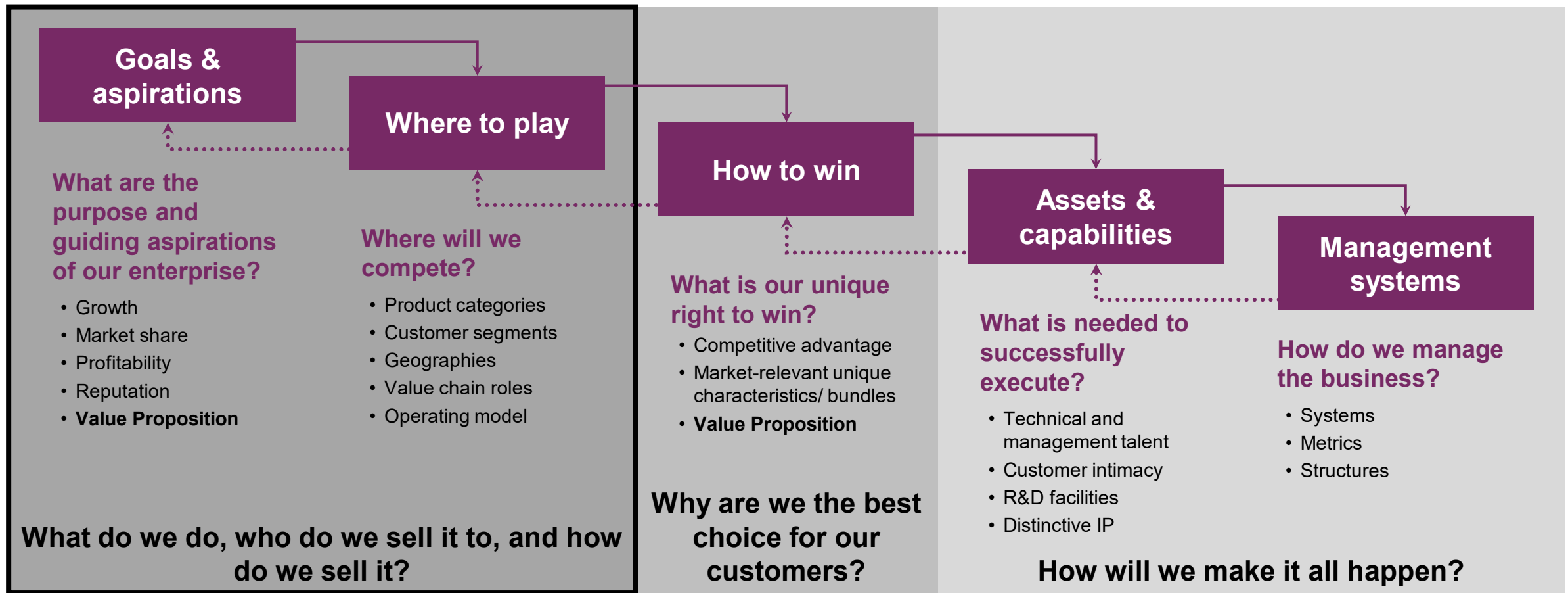
## Your Customers

What do our target customers value?  
How do they perceive what we offer?



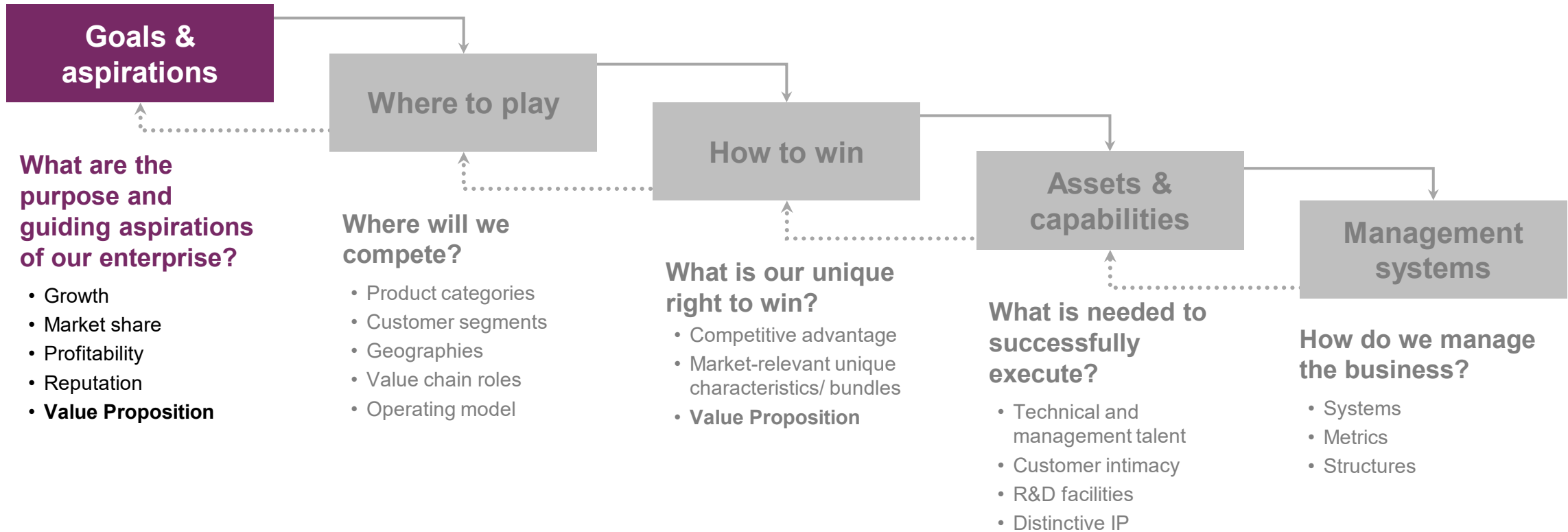
# Strategy and Value Proposition

Value Proposition is both a precursor, defining your company, as well as attached to specific pursuits and customers; it enables organizations to effectively communicate internal and external messaging, organize, evaluate competing operating models, invest and make decisions to drive strategy



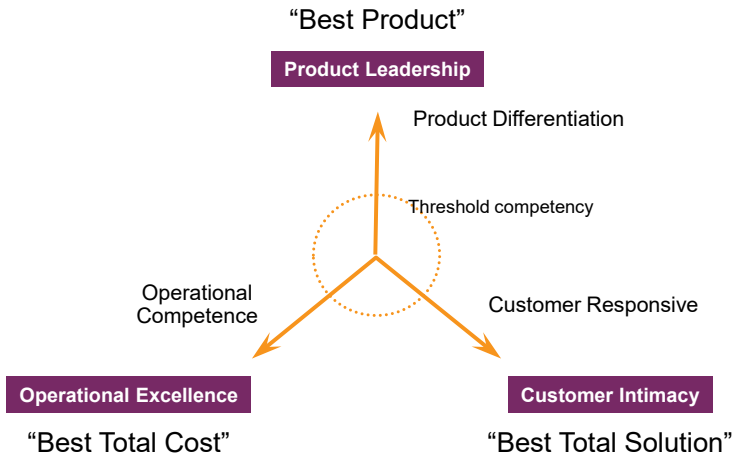


# Value Proposition #1: our company



# Why should customers do business with you?

## Value Leadership



Treacy & Company

## Core Value Proposition

Your core value proposition is not your product or service. It's the overall essence that makes your business stand out from the competition. It is not necessarily about monetary value (although it may be). Rather, it's the key benefit that keeps customers coming back to your business again and again

SCORE Association

## Unique Selling Proposition

Unique benefit exhibited by a company, service, product or brand that enables it to stand out from competitors

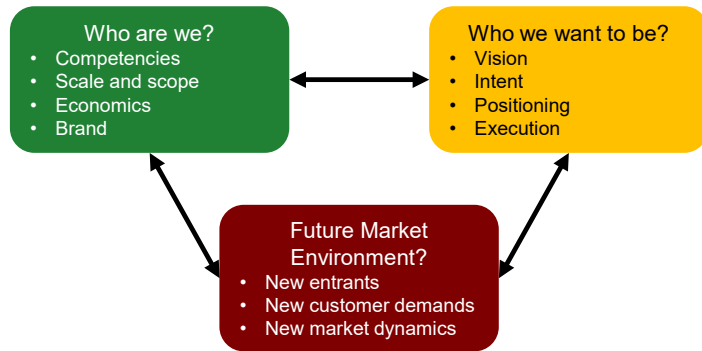
Entrepreneur

# Value Proposition Development: Us

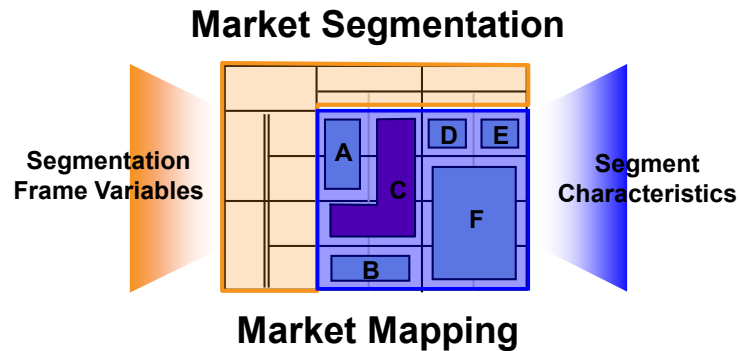
## Objective

- Identify a Value Proposition, that best fits your product and service offerings
- Identify those customers who will place high value on your products and services and/or your operating model, and who are willing to purchase that over competing products or substitutes
- Validate that those customers do, in fact, value your products and services and/or your operating model
- The approach can work either start from your point of view or the customers, regardless, it is an iterative process

### Define Goals and Aspirations

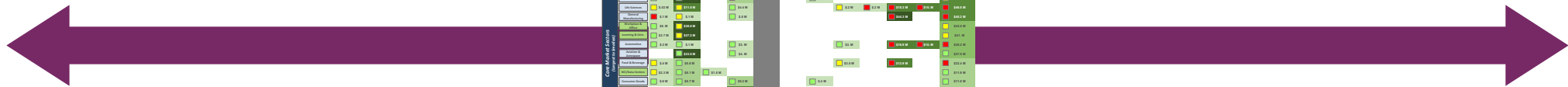


### Identify Customers (or perceived customers)

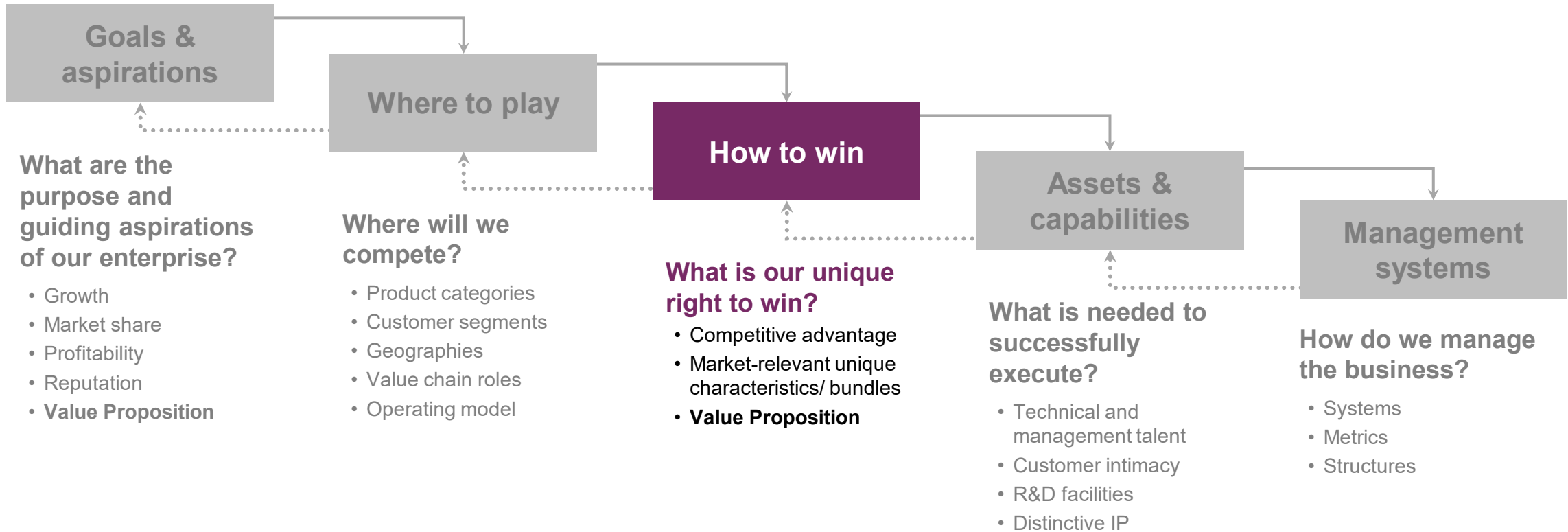


### Customer Value Analysis

- Net Promoter Score
- Customer Experience
- Customer Satisfaction
- Customer Effort
- Others...



# Value Proposition #2: our offering



# Why should customers buy your offering? (particularly in context of proposal writing)



## Features

### What

- What are the distinguishing characteristics of our approach?
- Every feature must have an associated benefit

## Benefits

### So what

- Why is that particularly feature good, and especially, why is it good for the customer?

## Discriminators

### Why pick us

- What is different (better) about our approach in terms of addressing/solving the customer's issues?
- Come in two forms
  - Best case—only our team can make this claim
  - “Me too”—the competition can also claim it, so we need to claim it just to keep up!

**Which one is the Value Proposition?**

# Why should customers buy your offering? (particularly in context of proposal writing)

## Features

### What

- What are the distinguishing characteristics of our approach?
- Every feature must have an associated benefit

## Description

## Benefits

### So what

- Why is that particularly feature good, and especially, why is it good for the customer?

## Discriminators

### Why pick us

- What is different (better) about our approach in terms of addressing/solving the customer's issues?

## Why pick us over the competition

**None, but...benefits become a Value Proposition when joined together and paired with a compelling articulation of the offer and the total offer addresses customer need**

# Value Proposition Development: our offer



SECURITY CLASSIFICATION  
Competition Statement Internal

**SMA** Module Specification

2. **Win Strategy.**  
What win strategy themes need to be covered in this module?  
How do we differentiate the module from other win strategy actions and/or solutions? How do we ensure a solution made to address the win strategy?  
Why should we win?

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3. **Key Features.**  
What are the Customer's key concerns or issues relevant to this module?  
How are we addressing the module from the Customer's perspective? Is there something the Customer can do to solve the problem? What about the time, effort, or cost? How do we ensure a solution that is the best for the Customer? How do we ensure a solution that is the best for the Customer?  
Why should we win?

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4. **Value Proposition.**  
What is our approach to address and resolve the customer?  
How do we address the customer's concerns and what is the value? Why is it good for the customer? How do we ensure a solution that is the best for the Customer? How do we ensure a solution that is the best for the Customer?  
Why should we win?

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5. **Features & Benefits.**  
What is special about our approach and how does it help our customer?  
How do we address the customer's concerns and what is the value? Why is it good for the customer? How do we ensure a solution that is the best for the Customer? How do we ensure a solution that is the best for the Customer?  
Why should we win?

| Features | Benefits |
|----------|----------|
|          |          |
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## Value Proposition

*“What is special about our approach and how does it help our customer?”*

## Defining Features & Benefits to build the Value Proposition

- What are the distinguishing characteristics – features – of our approach?
- Why is that particular feature good, and, especially, why is it good for the customer? (good benefits should reflect lower cost, lower risk, increased performance, or advantageous schedule)
- Pick the key features, preferably unique to our offer, that we are proud of the most. For each feature, state the benefit to the customer.



# Pressure Testing your Value Proposition

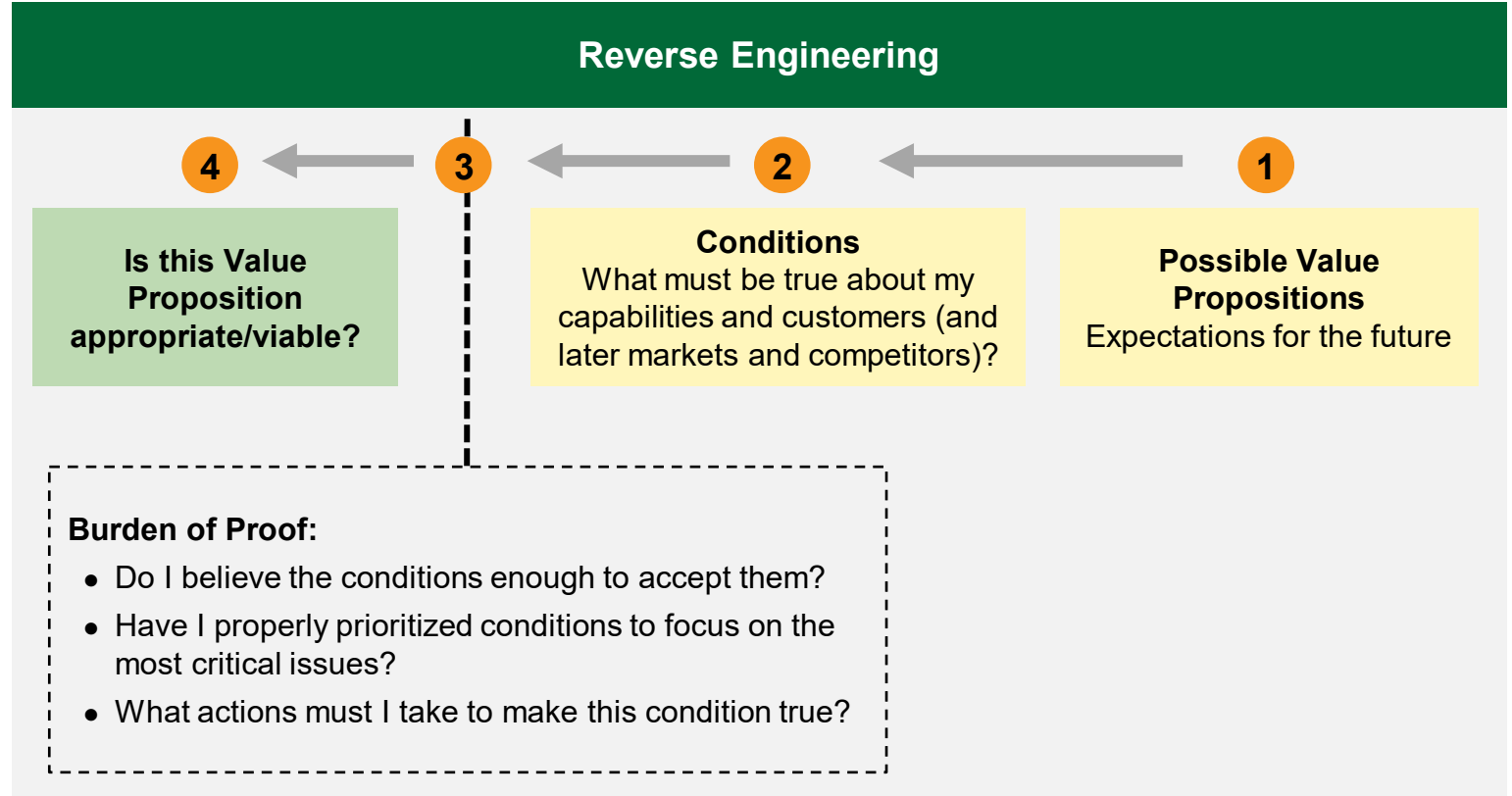
By asking “What must be true?” for your Value Proposition (#1 and/or #2) to be successfully, you can make deliberate, integrated choices as to which activities will be most impactful

## What insights are you trying to generate?

- What are the key assumptions and conditions necessary for your Value Proposition to be successful?
- What barriers to action and/or the market may prevent your Value Proposition from being realized?

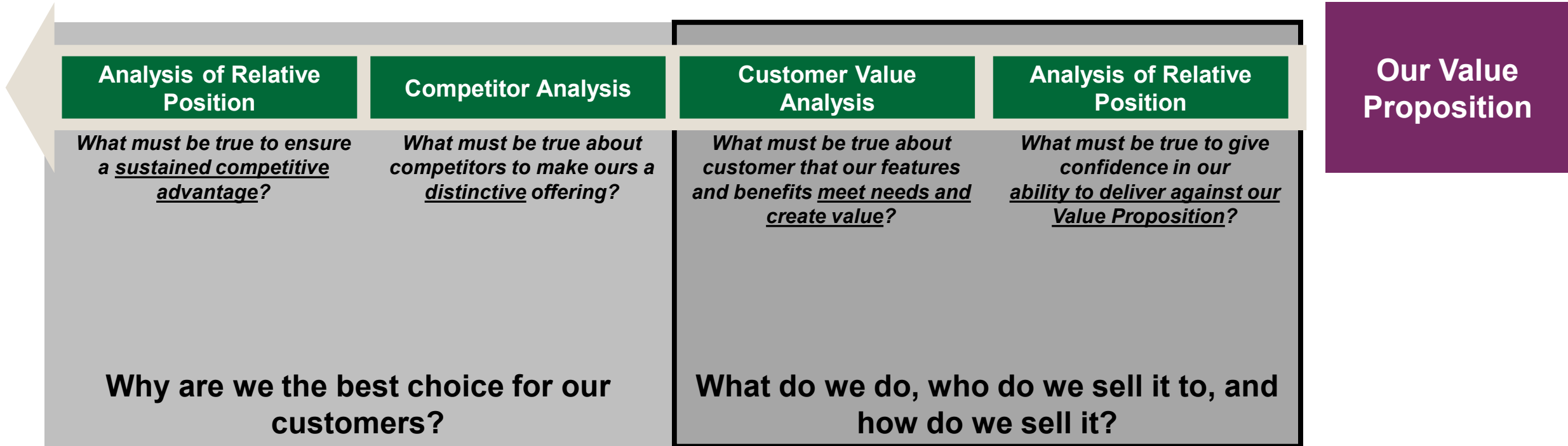
## Input into analysis

- Internal insights, customers analysis, market data, perspectives on future market requirements (maybe competitor data as well)

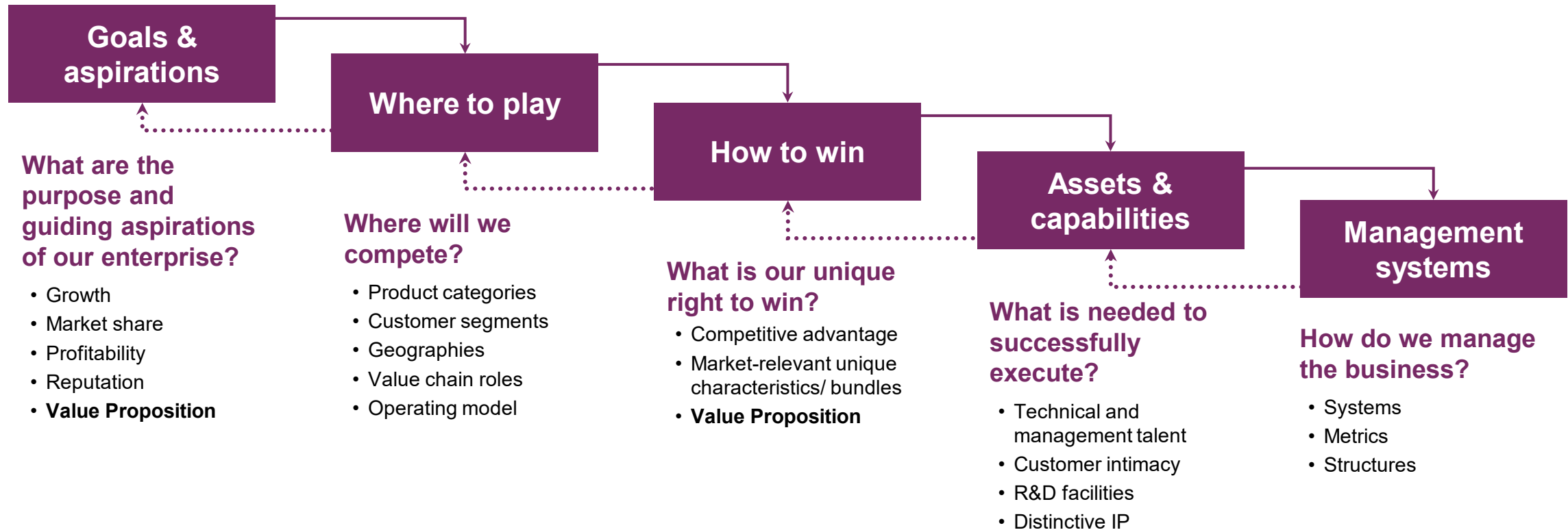


*Reverse engineering lends itself to a team effort, drawing on different perspectives and knowledge bases to challenge beliefs and assumptions across and between stakeholders*

Value Proposition is about you and your customers, but yes, it's also about you and your competitors



# Your Value Proposition starts and ends with Value



## Your Value Proposition should be clear and precise as it pulls through your entire organization

- Identifying decisive issues;
- Driving market and customer selection and offer development; and
- Guiding organizational approaches and investments including capture and marketing activities and proposal content

# Questions?



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