

Perfect your value proposition

What is your company's value proposition? This seems like a simple question, but having facilitated hundreds of sales training workshops, it remains one of the top challenges facing sales professionals today.

"How do I define and position my company's value to customers?"

Sales professionals who are unable to distinguish their offering from the competition - in a way that is both compelling and quantifiable - default to selling price and features. As a result, an invisible but real barrier develops between the salesperson and customer limiting the strategic potential of that relationship.

Value propositions impact all phases of the sales cycle including the language of initial call, the questions that sales professionals ask during the reconnaissance process, how they frame and present their solutions, how they overcome resistance, as well as how they negotiate.

If you want to establish a benchmark for your team, ask them to cold call you. Have them select an individual from their prospecting list and you will pretend to be that person. Instruct them to craft a compelling call script, which is only 45 seconds, and if they trigger curiosity and a desire to want to learn more, that you'll agree to the appointment. If the call runs longer than 60 seconds, they will be required to rewrite their script and call you again. How many team members do you anticipate would be so compelling, that you would agree to meet with them on the first call?

Value propositions require a clear understanding about how your company improves your customer's business situation. Consider for example:

- » Does your company streamline customer processes, systems or quicken time to market? If so, what customer examples can you use to quantify the savings generated by your solution?
- » Does your company improve ease of purchase and delivery (think Amazon - product delivered overnight or FREE in two days)? Can you quantify the value of the savings, e.g. time, gas, etc.?
- » Does your company provide incremental and desired value at a reasonable cost (consider software that can be used on all devices - laptop, iPad, cell phone)? Salespeople who do not have a clear value proposition often:
 1. Sell features and price versus solutions, which puts them at risk of being perceived as a commodity in the eyes of a customer.
 2. Fail to ask the right questions or gather the information so they don't qualify (or disqualify) the opportunity. As a result, they pursue opportunities that don't materialize.
 3. Present solutions that fail to address the customer's "hot buttons" or deeper needs. This leaves the door open for the competition, may be less qualified, but wins the deal because they presented a more "customer-ized" message.
 4. Cave into concession demands when negotiating because they can't quantify value.
 5. Mentally freeze when faced with strong resistance. Because they don't understand the value of their offering, they concede their power rather than redirect the conversation.



6. "Forget" to ask for the order because they aren't sold or convinced of the value of their own offering.

If you find any of the above statements to be true for you, take a moment to estimate the cost of these lost opportunities. The numbers don't have to be exact. For a local VP of sales with a 10-person national sales team, he was "stunned" when he calculated more than \$14 million in lost opportunities over the past 12 months.

After developing their value proposition and helping the sales team to shift their mindset from a "products and pricing" approach to a strategic selling approach, initial traction is happening. Two national accounts agreed to develop an annual strategic plan that includes mutual accountabilities, which are measured and reviewed quarterly. The first planning session took place eight months ago and resulted in an extension of their product line, which doubled revenues with both customers and created the framework for developing long-term strategic partnerships.

The dynamics of their customer relationships at the mid-tier level are also shifting. New streams of profitable revenues are flowing faster and easier into the company. With minimal time investment, the rewards are proving to be quite significant. Could you initiate a similar effort before the end of the year to make 2014 a banner year? ■

Christine McMahon is a business strategist. She can be reached at (414) 290-3344 or by email at: ccm@christinemcmahon.com.