

B2B
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How to Develop a Value Proposition That Sells

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Value Proposition Examples

Through its strategic alliance with Microsoft and our solution competencies ...

Key Differentiators:

Breakthrough Results: We stay on time and on budget.

Accelerated ROI: Our Agile improves ROI ... faster Time-To-Market.

Flexible Engagement Models: We can ramp up and ramp down.

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**Quantifiable
economic
benefit**

Gartner estimates that “remote infrastructure management services [RIMS] can reduce labor costs by 10% to 50%, depending on the delivery location, resulting in a 3% to 30% overall net savings, excluding one-time transition charges.”

Oracle RIMS brochure

An automated datacenter using VMware lets you respond to market dynamics faster and more efficiently than ever before. VMware customers typically save 50-70% on overall IT costs by consolidating their resource pools ...

VMWare

Quantifiable Economic Benefit

Real Estate CRM Example

■ Typical office

- 3 – 5 Agents (inc. Broker)
- 500 – 1000 active listings
- 1000 – 2000 contact pool
 - 100 active / agent / month
- 4-6 mos from inquiry to sale
- 5% close rate
- \$100K Gross / agent / year
 - 20-25 transactions / year



50% improvement



2 week improvement



10% improvement



3 – 5 more deals / year

■ Brokerage owner makes decision

■ Overall 15 – 20% improvement per agent

- \$15 – 20 K / agent / year
- \$45 – 100 K / brokerage / year

Developing a Value Prop

- **Target market**
 - Segments
- **Economic drivers of customer's business**
 - Manufacturing vs. Services
- **Your product/service economic impact**
 - Unique economic value add
- **Estimate the economic value**
 - Third party research
 - Industry insiders
 - Personal experience
 - SWAG's

Polling Question

Where do you get your numbers for assessing economic impact of your product or service?

- **Third party research**
- **Industry insiders**
- **Personal experience**
- **SWAG's**
- **We don't often use numbers**

Assessing Economic Impact

Revenue Benefit

- Increase
- Accelerate
- Sustain

Cost Benefit

- Decrease
- Defer
- Avoid

Risk

- Predictability
- Likelihood

Timing

- Occurrence
- Duration

Associated Costs

- Out of Pocket
- Opportunity

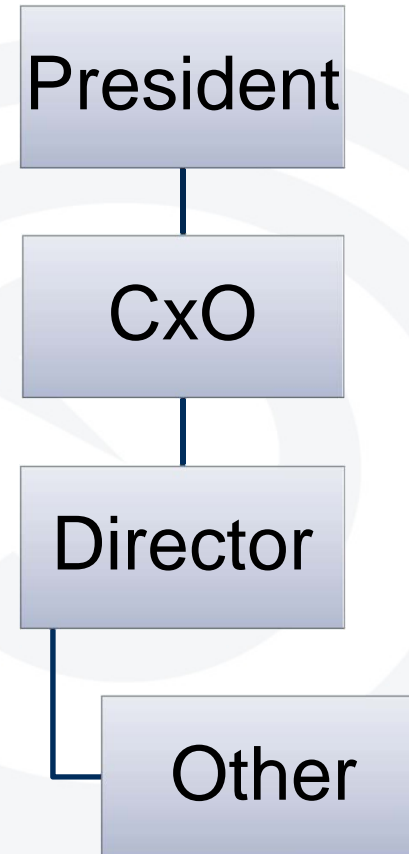
Assessing Economic Impact

Focus on Revenue Impact

- **Accounting package**
 - Save time
Or... Collect money 10-15 days faster
- **Insurance application**
 - Fewer errors
Or... Write 5% more policies
- **Customer service center**
 - Lower cost per call
Or... Retain customers 5-10% longer
- **Industrial coating**
 - Better coverage
Or... Produce 15% more over product lifetime

Value Prop Presentation

- **Audience**
 - Advocate
 - Evaluate
 - Approve
- **Purpose**
 - “Call to action”
- **Detail**
 - Spreadsheet
 - Presentation
 - ...



Whatever Audience Needs

Quantifiable Economic Benefit
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 - \$100K Gross / agent / year
 - 20-25 transactions / year
- **Brokerage owner makes decision**
- **Overall**
 - \$15
 - \$45

← 50% improvement
 ← 2 week improvement
 ← 10% improvement
 ← 3 – 5 more deals / year

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LeveragePoint
 the software solution for VALUE-BASED PRICING

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LeveragePoint
 the software solution for VALUE-BASED PRICING

The LeveragePoint platform enables everyone in your organization to collaborate and align around the economic value you deliver to your customer's bottom line – quantifying what truly differentiates you from your competition. LeveragePoint:

- helps product development and pricing set value-based prices
- helps marketing and sales communicate a value story that wins the price negotiation, shortens sales cycles, and captures wider margins
- as a SaaS (Software-as-a-Service) solution, can be deployed quickly to deliver measurable business impacts within weeks.

IMPROVED EFFICIENCY → IMPROVED PROFITABILITY

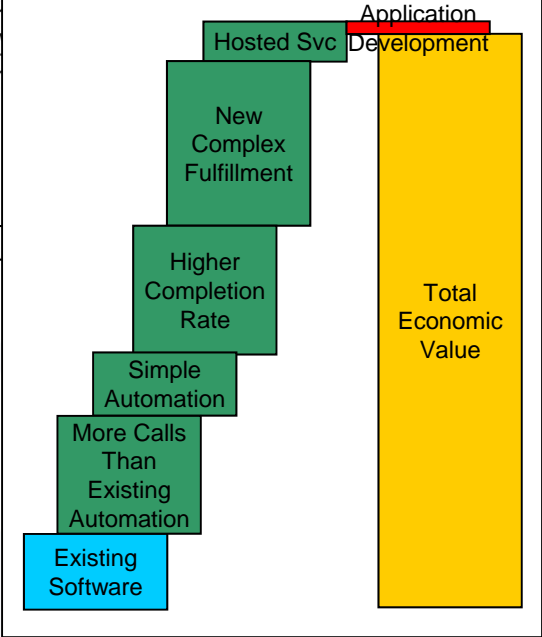
Webinar on demand
 Avoid Discounting Using Value-Based Pricing

Build a World-Class Pricing Capability:
 Where does your company stack up?
 by John Hogan
 Monitor Group Perspectives
[Download Now](#) (FREE)

Grow Your Markets
 with LeveragePoint for Marketing Strategy
 Access proven marketing strategy practices that lead to top line growth.

An automated datacenter using VMware lets you respond to market dynamics faster and more efficiently than ever before. VMware customers to 70% on overall IT costs by consolidating pools ...

VMWare



Persuasive Value Prop

Create Context

- **Delivery**
 - Web site
 - Collaterals
 - Sales channel
- **Content**
 - Audience
 - Logic
 - Message

Instill Confidence

- **Credibility**
 - Promise
 - Proof
 - Commitment
- **Risk**
 - Predictability
 - Containment
 - Mitigation

Economic Value Propositions

- **Align value with revenues**
 - OK to change cost structure
 - Sooner is better than later
- **Perception of value is reality**
 - Don't ignore risks or costs
- **Make simple, understandable case**
 - Customer should own the numbers
- **Intangibles count ...**
 - ... But don't count on them