

DEVELOPING A COMPELLING
VALUE PROPOSITION (PT. 4 of 4)
DETERMING YOUR ONE THING



BY:

Doug Davidoff
Founder & President
the Imagine companies
doug@imaginellc.com

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In this issue of The INTELLIGENT GROWTH Ezine, I finish the discussion on how to determine your value proposition or 'one thing.' In January, I introduced you to the accounting firm of White & Whitfield, a composite of many of the companies I work with. White & Whitefield was successful, by all measures, but had failed to achieve and maintain the growth rate they desired.

White & Whitfield did many things well. Their growth barrier was that the go-to-market strategy they were working with failed to focus on the one thing they did better than anyone else in the world. Their marketing and sales efforts were based on the variety of services they provided. They would try to explain to clients and potential clients how they could benefit from those services. In today's 'flat' world, where we are all overwhelmed by information and complexity, trying to make a prospect to understand what you do is too difficult. White & Whitfield, despite their outstanding work, had become subject to the same commoditization that is impacting businesses everywhere.

MAKE MY PROBLEM GO AWAY – PLEASE!

Think about this for a moment. How interested are you in 'understanding' the variety of businesses that provide some level of service to you or your company. Think about your accountant, your doctor, your lawyer, the copier company, the grocery store, etc. My bet is that you are busy enough trying to understand your business. Any interest you might have in 'understanding' companies that provide 'solutions' would be limited to curiosity at best.

Most people choose to buy an offering (or solution) because they believe that the offering will solve a problem. Before you can get your prospects to understand your offering, you have to make them want to care about it. You do that by focusing your message on the problem(s) you solve and putting your entire go-to-market strategy solidly behind your value proposition. Your value proposition must be focused on the problem you solve better than anyone else in the world. You have to go beyond addressing a problem. No one wants their problem 'addressed.' When you are ill and you go to the doctor, what do you want? Health. This is what your clients want. They want you to take a problem they have and make it go away – the less effort on their part the better. The more you can do that, the more growth and profit you will enjoy.

IF YOU DON'T SOLVE A PROBLEM, YOU HAVE A PROBLEM.

If you don't truly solve a problem, you don't really have a value proposition. Most companies do not solve a problem. They may impact many areas in an organization and they may even do 'great' work. However, neither the company nor the client is able to communicate precisely what was accomplished. Typically, this is because the company has never taken the time to determine what specific problem they solve for their clients.

Determining the problem you solve is very difficult, especially for small and mid-sized companies. I always think of a company that I'm fond of that provides consulting in the communications space. They teach people better ways to communicate. Their ideas have been instrumental in improving my ability to communicate more effectively. They have many fans and very few detractors. They are stuck, however. Why? Because they fail to make a clear promise as to what problem they solve better than anyone else. Are they a sales solution? A productivity solution? A team-building solution? A board communication solution? Their answer is, "yes." This lack of focus is this reason their business development has failed to achieve the success their service deserves.

THE WHOLE SOLUTION

Remember, your clients are just like you. They have problems they want to get rid of – completely. If you cannot promise to take their problem away and fulfill that promise every time, your sales and marketing efforts are always going to be under pressure; reducing your growth rate and your margins. You will be stuck in the commoditization trap.

If you cannot articulate the problem you solve completely, you may be struggling with the issue that afflicts many companies. You may be defining the problem too broadly. If you are, try to narrow your focus down to the exact problem you solve. Remember, instead of tackling many problems and solving them partially, it is far more valuable to take on a small problem and solve it completely. How do you that?

STEP ONE: DEFINE YOUR CUSTOMER

The first step is to define who your customer is. Is it an individual or a company? If it is a company, who in the company is responsible for deciding whether you get hired or not? Who is impacted when you solve the problem? Be clear and specific. It is not okay to be too broad in your explanation. When I was at Merrill Lynch they would teach us to use what they called a “marketing statement.” Their recommended statement started with: “I specialize in working with individuals, families, companies, institutions and other organizations...” You can see that there is no specialization and no ‘one thing’ with a statement this broad.

If you can’t clearly define your specific market, try breaking it down into segments, then hone in on the segment with problems you are absolutely certain you can solve completely. (Warning: Be careful not to focus on too many segments).

To help you, here is Imagine’s primary customer:

Growing companies from the post-startup stage through approximately \$20 million in gross profits. Our primary customer is the person responsible for delivering business development results.

STEP TWO: WHAT PROBLEMS DO YOU SOLVE?

Now think about the customer you’ve just described. Look at the world through their eyes. Ask yourself, “What are the problems that this customer has that we can solve completely?” Brainstorm your answers. You may even want to bring your senior team together to work on this question. When you are finished making your list, review each item. Ask yourself or your team if this ‘problem’ is a really one your customer has or do you just think she has it? Would this problem be one all your best customers have? Then briefly describe how you solve the problem.

Here is the main problem Imagine solves:

We solve a company’s go-to-market problem by changing their approach from one that is internally focused on what they sell to one that is externally focused on the what people want to buy.

STEP THREE: ARTICULATE YOUR PROMISE

Now imagine that you are sitting with your target customer and the customer has expressed the problems you have listed. The customer asks you, “What do I get if I use you?” Without telling me a thing about your products, services, methods, experiences, etc. answer the question. Be precise.

This is where companies squirm. Few are comfortable making actual promises. Companies like to talk around promises, they like to allude to them – and this is one of the primary reasons why buyers don’t like to listen to sellers. Fedex promised to get your stuff where you wanted it to go overnight – absolutely and positively. Wal-Mart promises low prices – everyday. What do you promise? E-mail us and we will post the best promises on our website – if you make the cut, we’ll even give it a link to your website.

Here’s Imagine’s promise:

We’ll cut your sales cycle time in half while increasing your margins. This means you will get more sales, faster sales, higher profits and more intelligent use of your resources.

With this information in hand you are ready to begin focusing on your “one thing.” Remember, you want to make a promise you can keep. As always, if we can help don’t hesitate to ask.