

The Sales Gazette

Sales Mastery Forum

Volume 15

QUANTIFYING YOUR VALUE PROPOSITION

Quantification of your value proposition is all about creating and communicating a clear and compelling picture of how your solution will drive business results for the customer. It requires the translation of the benefits of your solution into high impact measurable outcomes that matter to the customer. If done effectively, it enables you to maximize the competitive advantages that differentiate you from your competitors.

Procedure. The quantification of a value proposition involves three steps.

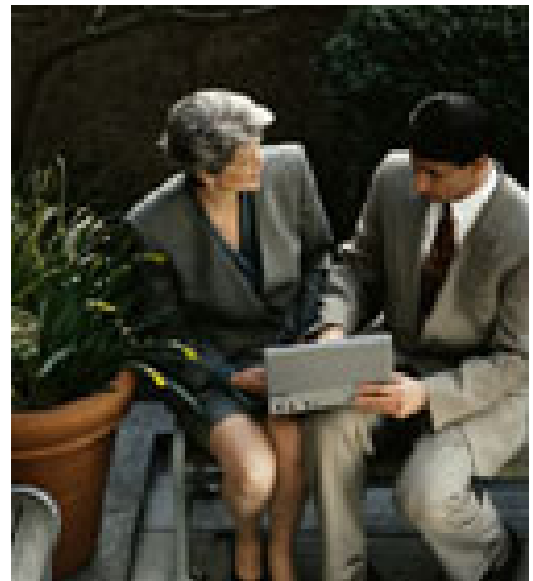
- First, *list the business outcomes* of your solution (e.g. improvement in the percentage of just-in-time deliveries).
- Second, *calculate the customer metric(s)* that will demonstrate the impact of the business outcome (e.g. reduction in inventory times annual inventory carrying costs = value of just in time deliver).
- Third, *determine the most compelling display* of the customer metrics (e.g. compare the outcome of your solution against the status quo or compare against your estimate of the competitor's solution or against other companies in the customer's market space).



A worksheet for your use is included as the last page of this Sales Gazette.

Best Practices. The procedure for the quantification is relatively straightforward. As is often the case at the National Account level the difficulty and creativity lie in the details of execution. Hence it is useful to explore some best practices. Four seem particularly important:

- **Sell the Concept First.** Top performers do a superior job when it comes to the quantification of their value proposition but they don't *just* "sell by the numbers." Even a great set of numbers will fall on deaf ears if you have not established a foundational level of understanding of your solution and a high level of trust. Worse possibility, the quantitative analysis is viewed as a selling ploy and therefore discounted accordingly.
- **Remember the Ripple Effect.** Often in addition to the primary impact of your solution, there are, as well, secondary and tertiary positive outcomes. The other benefits might occur in another division, in a different time frame or for an alternative set of players in the customer organization – make sure you have uncovered and demonstrated the pay-offs of the Ripple Effect.
- **Translate Soft Differentiators.** If ones only major competitive advantage is price, the challenge of the quantification of your value proposition is simple and straightforward. On the other hand if that limitation is not true, then the challenge of translating soft differentiators (e.g. integrity, superior integration, creativity) will probably exist. It is easy to quantify that part of your value proposition that is easily measurable. However it is equally important, although of much greater difficulty, to generate quantifiable proxies for soft differentiators.
- **Tell the Integration Story.** Many companies have created integrated solutions – but most still just talk about integration and continue to sell the individual pieces - hence a huge opportunity for differentiation for those that get it right. One solution: when it comes to quantifying the value proposition think collaboratively and position as a team. Help the customer connect the dots and understand the power of an integrated solution by displaying a unique set of numbers that tell the story.



Worksheet. To begin Quantifying Your Value Proposition, you can use this worksheet.

Business Outcome	Customer Metric	Compelling Display Method
1		
2		
3		
4		
5		
6		