

Face Off: Value Propositions vs. Sales Messaging

Why Your Value Prop Is Losing and What to Do About It

By Michael Cannon

Every company wants a great value proposition, the proverbial magic bullet that gets you in the door and gets you an order. The trouble is that most value propositions are more like blank or copper bullets. They don't perform well. And because they don't perform, they reduce the effectiveness of all your sales and marketing investments, sapping your company's strength and competitiveness. Consider the implications of this market research for your firm:

“75 percent of marketing and salespeople are unable to consistently and effectively articulate their value propositions.”

Marketing Alignment Benchmark Study, conducted by Holden Corporation (Hoffman Estates, Illinois: 2001)

The Problem with Value Propositions

The underlying problem with value propositions is that companies often try to use them for all sales and marketing efforts: to create interest in your company, to convince a prospect to meet with you, to convince a prospect to buy from you, etc.

Step back and you'll see why most value props are ineffective and hard to remember. A simple web search returns no clear consensus on the definition of a value proposition. For example,

- “Identify and satisfy a need that your target market possesses”
- “A clear statement of the tangible results a customer gets by using your products or services”
- “A clear and succinct statement that outlines to potential clients and stakeholders your company's unique value-creating features”
- “A statement summarizing the customer segment, competitor targets and the core differentiation of one's product from the offerings of the competition”

The definitions are all over the map and thus open to wide interpretation. So when you talk with your sales organization, a value proposition tends to be whatever needs to be said to advance the sales process. When you talk to the marketing organization, the value proposition tends to be a market positioning statement for the company or for a product.

Value Proposition and Sales Messaging Defined

Think of a value proposition as a high-level positioning or general benefit statement. It's a one-or two-line description of what your company does and the value the target market would receive by doing business with your company. Done well, a value prop answers the question: "Why should I consider doing business with your company?"

Defining a value proposition in this way allows you to clearly differentiate it from sales messaging - the silver bullet your sales team needs in order to grow the sales pipeline and win more business.

Unlike value propositions, great sales messaging provides a compelling and persuasive answer to each of your buyers' primary buying questions for each of the products and services you offer:

- "Why should I meet with you?"
- "Why should I change what I currently do and buy a product or service like this?"
- "Why should I buy this from you rather than from the competition?"

Great sales messaging is the silver bullet your sales team needs to win more business

Compare this to what most companies are doing today. They attempt to create a value proposition to answer all possible buying questions related to all of their products and services. The result is that instead of providing their sales team with a magic bullet, what they end up providing is a blank or copper bullet at best.

Differentiating your value proposition from your sales messaging enables both to work in concert. You can have a high-level value prop for the company that generates interest, and multiple sales messages for each of the products and services you offer, which will generate more meetings, buying events and orders.

This solution produces dramatic results. Companies that successfully distinguish between their value proposition and their sales messaging experience an increase in sales of 15% to 25% or more.

A3 Solutions is one such company. A3 was in a classic David-vs-Goliath struggle: a smaller company with better technology confronting larger competitors with bigger balance sheets. Here's how they explain the results of implementing great sales messaging:

"In three months, our sales pipeline has doubled in size, and our close rate is up by 150%," according to Stuart Ratner, Chief Operating Officer. "We went from just another vendor communicating features and benefits to the preferred vendor communicating profound business value... and the shift occurred virtually overnight." A3's CEO Robert Lutt adds: "Our 'Why Buys?' are so strong that we effectively fence off the competition. Bottom line is we're now a much more market-driven company."

Implement great sales messaging and experience these results yourself.

Recommended Resources

The *Top 10 Principles of Great Sales Messaging*, a 1-hour, on-demand training course with a 14-page workbook is available at www.top10principles.com and a 10-page eBriefing on how to implement great sales messaging is available at <http://www.silverbulletgroup.com/ebriefing>.

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