



TAPPING YOUR UPSIDE:

Honing Your Value Proposition

About This Exercise

The goal here is to know how to really improve a value proposition, because you've worked through the process. The approach is to do it, once. It won't be that easy. And at this stage, it shouldn't get your mightiest effort, because you might find an even better way to boost results in other chapters.

But honing your value proposition is one of the most powerful ways to lift results, so the exercise will be worthwhile. If there's someone who heads up the marketing or product-management areas of your business, it might be beneficial to ask them to participate in, or lead, the completion of this exercise.

The Path Through the Exercise

On the following pages, we've provided a worksheet, one that you can download and have others fill in*, that will help you structure your thinking about those your value-proposition touches, their wants and concerns, how your value proposition relates to them, and how it compares to those of the competition.

We'll begin by becoming very clear on the wants and concerns of the customer, the gatekeeper, the others involved in the purchase decision, and the related entities. And for each, we'll rank order their wants and concerns, then merge the ranked lists into one overall (re-ranked) list.

Next, for each element of your value proposition, you'll need to decide whether it's better than, the same as, or worse than the competition in the eyes of those making the buying decision.

Finally, we'll ask you to associate each want or concern with the value-proposition elements that apply, and to net out the better, same, and worse ratings for that want or concern. This will generate an overall rating on how what you offer fares.

* The worksheet comes as part of this book's tools and extras, which you can download from www.theupsidewithinreach.com.

That should provide a clear picture of where you are and what you're up against.

After doing this for the entire list of wants and concerns, you might see ways to enhance your value proposition. We'll ask you to carry out the better-same-worse exercise again with the elements of your enhanced value proposition.

On to the worksheet! We'll start with the first tab, shown on the next page.

1. After reviewing the Example columns (on the left), in the Your Offering columns (right), fill in the Who column, then what each of those you listed want. For each, rank them from strongest influence on the purchase decision to least.

First tab

EXAMPLE: A CHILD'S PLAYTHING			YOUR OFFERING		
Individual Wants and Concerns (Ranked)			Individual Wants and Concerns (Ranked)		
Who	Rank	What	Who	Rank	What
Customer (school-age child)	1	Fun	Customer		
	2	Challenging			
	3	Cool			
Gatekeeper (parent)	1	Safe	Gatekeeper		
	2	Fun			
	3	Playable			
	4	Educational			
	5	Sparks creativity			

EXAMPLE: A CHILD'S PLAYTHING			YOUR OFFERING		
Individual Wants and Concerns (Ranked)			Individual Wants and Concerns (Ranked)		
Who	Rank	What	Who	Rank	What
Other (grandmother)	1	Customer would love it	Other		
	2	Safe			
	3	Educational			
	4	Price			
Related Entities (gov't consumer product safety agency)	1	Safe	Related Entities		

2. Next, merge the wants and concerns you've identified into the single prioritized list below and note any of them that various parties consider must-haves.

Second tab

Merged Wants and Concerns (Ranked Overall)						
No.	What	Must Have	Whose Want or Concern?			
			Customer	Gatekeeper	Others	RE(s)

Merged Wants and Concerns (Ranked Overall)						
No.	What	Must Have	Whose Want or Concern?			
			Customer	Gatekeeper	Others	RE(s)

As preparation for the next step, write out your customers' current experience with this offering in detail (shoot for at least a page), then continue below.

3. Below, list and rate the elements of your value proposition from customers' perspectives.

First, list all of the major elements of the value proposition you provide now, numbering them. As they occur to you, add any enhancements, identifying each with a capital letter, so you can easily tell them apart later in this exercise. It might well happen that enhancements will occur to you after you've gone through this entire exercise for the first time. That's to be expected, as the exercise is designed to help you see where you might be falling short of the highest customer value you can provide.

4. Finally, we'll line up your value proposition, and your contemplated enhancements to it, with the customers' wants and concerns. Start with your value proposition as it is now, the middle set of columns below.

Fourth tab

YOUR VALUE PROPOSITION VS. THE MARKET'S WANTS AND NEEDS, AND YOUR COMPETITORS' OFFERINGS										
Merged Wants and Concerns			How Your Value Proposition Elements Address Customers' Wants, Concerns, and the Competition							
			Value Proposition Now				Enhanced Value Proposition			
No.	What	Must Have	Better ID(s)	Same ID(s)	Worse ID(s)	Net + = -	Better ID(s)	Same ID(s)	Worse ID(s)	Net + = -
1										
2										
3										
4										
5										
6										
7										
8										
9										

5. What did you learn from filling in those middle columns?

6. Based on that, what value-proposition enhancements could you make? List them all.

7. Which of these enhancements make financial sense (list their identifiers)?

8. Which of these enhancements are realistic (identifiers)?

9. Which of these enhancements could be delivered within a year (identifiers)?

10. Which could be delivered within five years (identifiers)?

11. Using the table below as a template, estimate the percentage revenue and profit increases you would expect to reap from each enhancement over time. In other words, why should you make the effort?

Enhancement ID	Time Frame	Revenue Increase (%)	Profit Increase (%)
	1 Year		
	5 Years		
	10+ Years		

12. What will you have to do to bring each of your related entities along regarding each value-proposition enhancement?

13. Considering your business and all of its related entities as your value-delivery system, what orchestration will be necessary? In other words, how will you coordinate all of the moving parts?

14. Have everyone in your business write out the parts they'll play in the value-delivery system you're envisioning, and pull together their responses.

a. Any gaps?

b. Overlaps?
