

Value Marketing Presentation 11/11/07

(Open) Up to this point, we have explored value **selling** and the concepts that support it. Now it's time to change gears. What is marketing's role? What part should it play and how should it be incorporated into value selling?

The significance of marketing in today's dynamic sales environment has moved beyond the traditional views held for many years. Marketing's legacy of holding a **limited** role as primarily a generator of brochures, literature and unqualified lists of contacts has undergone a **renaissance**, a rebirth, and a new identifier:

Value Marketing. (pause)

What has driven this change? More accountability. In today's marketplace companies **can't afford the luxury** of building a great machine and hoping the customer will rush to buy it. The product graveyard is filled with superior products that never caught on in the marketplace. Plus...you're likely discovering that your customers are no longer buying **just machines**: (pause).

They are **buying the impact** your machines have on their business results. Differences in products are harder to establish and maintain. Competition is fierce. The best machine from an engineering point of view is - rightly or not - seldom the best solution to your customers' problems. In fact, you are selling much more than machines. You are actually offering a **Total Value Experience**. This is why it is the responsibility of marketing to precondition, support and track the potential value you offer. How do you do this?

Successfully executed integrated Value Marketing campaigns display three distinct traits.

- The first is enhanced product imaging and brand awareness. This enables sales operations to uniquely separate their offerings from those of their competitors: thereby enhancing your value proposition.
- Value Marketing also displays sophisticated market-segmentation behavior and a refined capability to profile customer needs, culture and business environment...and your sales operation's capacity to fulfill those needs, wishes and desires.
- This produces the third trait: your operation's unique opportunity to not only develop qualified sales prospects with a true interest in buying from you, but also support your sales enterprises at virtually every stage of the sales cycle.

Let me share a "tale of two companies" in the same industry that will make my point.

In 1989, Compaq and IBM were the two major players that rode the crest of the home computing industry: but were headed in opposite directions. IBM, for generations owning a reputation as a computing innovator, began to see the changes coming in the home computing market. Its position as an industry leader was tenuous and the reality dawned that the future lay in services and periodic redefinition of its value.

IBM developed a plan to establish what would evolve into today's Value Marketing. It emphasized relationship selling and integration of its marketing and sales departments in a manner where one complimented the other.

This model has served it well as IBM has moved from an industry leader in hardware development and sales...into the world of bundled software development: and solutions outsourcing provider offering primarily business-based computing services and support.

This has made it a recognized leader in the business systems and enterprise process outsourcing industry. Today IBM continues to hold its lofty position as a thought leader and preeminent provider of computing-based business services and support.

That same year...1989, Compaq Computers offered what was clearly the best desktop PC product line in the industry. But unlike IBM, Compaq chose to continue its traditional “marketing takes a back seat to sales and supports as-asked” process. Furthermore, Compaq staked its future on the excellence of its product offerings alone.

But while it wasn't looking, the market caught-up with them (long pause)

Compaq's new competition, Dell and Hewlett Packard began to duplicate Compaq's product excellence and lowered unit prices enough to influence the buying masses.

HP discovered that buyers wanted versatility and were willing to accept technology that was not leading edge: so long as it got the job done. Dell did the same thing, but also discovered the untapped and very lucrative “build my computer and ship it to me” market. Both used Value Marketing tactics involving their growing brand awareness (based on their ability to nearly duplicate Compaq's product excellence), discovered untapped segments of the computing market and leveraged both into their own unique opportunity.

The result? In 2005 Dell dominates the home PC market. And a few years ago number two HP bought Compaq. Both use their positions to leverage additional product revenue streams by developing peripheral, complimentary product lines.

(pause)

But before we more deeply explore the dynamics of successful Value Marketing, it's best to compare it with the long-held traditional marketing model: the one that spelled eventual doom for Compaq.

(Move to slide 2 - funnel)

The traditional marketing model has little flexibility. Nor does it clearly define specific task performance. The focus is general and non-specific.

In the traditional model, sales organizations seldom get more detailed information than a market segment or general customer profile. Their energies are also general, seldom drilling deeper than product mass mailings, trade show participation, product literature and spec sheets. It's all about the seller: not the buyer. They generate what they **call** "leads": which are really little more than unqualified "lists" of potential contacts or people who have responded in some superficial manner to some innocuous method of initial contact. There is no quantification or data to support those alleged... "leads."

Notice the funnel points and you'll understand why marketing can no longer just generate contacts and throw them to sales. The most successful firms demand that marketing generate leads that are "qualified".

But just what **IS** a qualified lead? Simply put, it fits a well-defined set of criteria for customer need relative to provider solution and value potential. In order to accomplish this, marketing **MUST** stay involved longer.

Plus marketing, once it gets the qualified lead into sales' hands, must now **support** the sales process at every step...to conclusion...in order to create more value to this lead.

Whatever marketing doesn't do sales by default **MUST** do. For example if marketing generates no leads...then sales must. If marketing does not precondition, then sales has to. Who checks prospect references? Sales?

Well...yes...if marketing doesn't. Pity the poor salesman who has to work in this environment. It's a wonder he stays, (pause) much less makes a living.

So the traditional marketing operation makes initial customer contacts, qualifies them, often using a static, pre-determined set of parameters, then hands these leads over to sales: why? Because sales people don't like to cold-call and sales managers readily accept that sales people are better at closing the deal than they are developing and qualifying the lead: probably because they want to close everyone they speak with which, as we know, is impossible. So it's "thanks for the leads marketing"...and out the door the marketing guy goes. *(long pause)...and if speaker wants to display a note of sarcasm as he utters the previous sentence, and slowly speak the last half, it offers even greater emphasis)*

Compare this behavior with that of Value Marketing, which engages refined research and cognitive behavior at every level of the sales process: from opening contact to contract signing. It delivers qualified prospects, timely intelligence **AND** offers much better support throughout the sales process. Value Marketing is measured on "win" (successful sales) produced by prospect qualification or "hit" rates: thereby increasing revenue.

Traditional marketing is typified by the old saying "I know we are wasting half of our marketing investment but I don't know which half."

In this brave new world where sales is based on data and research-based intelligence of your customer that produces quality relationships on which sales are made...this "50%" waste is no longer acceptable and is indeed, a death blow to any company that refuses to see the handwriting on the wall.

In order for **any** business to thrive in the 21st century, its sales must support a new type of marketing model: based on qualified prospects and customer value,

not centered on a litany of only products and stale pitches. Today, no one wants to be “sold” anything. **DO YOU?** (*long pause as you move to the next slide*)

(Move to slide 3)

If a picture is worth a thousand words, then this example of the traditionally accepted, segregated sales and marketing enterprise speaks volumes. The terminology notwithstanding, how many of the functions in the blue marketing puzzle are duplicated in the red sales puzzle?

In the traditional model, sales and marketing are two of most misaligned functions. Why? Here we see the clearly defined roles and responsibilities of each. The terms used by your organization may differ but the point is this ... they are viewed as having different responsibilities. Since by traditional definition, “never the two shall meet”, the problem **MUST** lie in integration and coordination.

Any wonder why this process produces adversarial relationships? Marketing cannot understand why sales’ isn’t doing what it should...and sales cannot figure out why marketing is so irrelevant.

Marketing willy-nilly throws campaigns, literature and support “over the wall” to sales” which cannot figure out what to do with it. Results are not successful. So marketing blames sales saying “we did our job”. In turn, sales blames marketing, claiming, “we cannot use what marketing gives us”. This produces silos, stovepipes, empires, inflated egos: even political turf battles. What is the result?

Which of these two different segments, both of them established along traditional models as clearly different entities, with few channels of communication but **numerous redundancies**, are performing tasks they are not suited to? **None**: because this is a reactive model.

When sales’ gets in a bind, marketing is expected to come in and get the ship back on course. If marketing hasn’t performed its lead-qualification properly (on

its own now and without the benefit of sales' input) sales results continue to flounder. So marketing has to come in **yet again**...and start the process over by redefining the prospects' parameters...**but still with one hand tied behind its back!!!**

How much of **YOUR** time, effort and money are being wasted with this reactive model? How much customer turnover does it create? And what percentage of prospective customers who enter your sales pipeline is turned into revenue-producing business? Is it satisfactory? Be honest now.

This is a picture of a static misaligned mission that creates a lot of duplicated effort and displays **NO** coordination. It should come as little surprise that any success that is realized from this fractured and contradictory model is largely a product of pure luck!!

Even stopped clocks are right twice a day. But can you build a successful sales enterprise on good fortune alone? By using this outdated model, isn't that just what you are doing? **There is a better way** (long pause as you change slides).

(Move to slide 4)

Sales isn't getting what it wants so it starts doing marketing's job ... (give an example from the slide) and the people in marketing don't think sales is holding up **it's** end...so they start trying to do sales' job (give one of the examples you shared)

Now you have sales and marketing duplicating efforts, replicating work, operating independently and trying to do each other's job: neither of which they're suited for. This produces confusion, exhausts valuable resources and creates a kind of internal bleeding that drains off the value that **should** be communicated to customers and prospects. Worse...it creates confusion the prospect easily sees. Would **YOU** buy from a company like that, even if it made a solid gold product?

stop

Now here is an interesting point. Just like people, many companies are more afraid of **being wrong**...than they are of **looking confused**: when the fact is...just being (or appearing) wrong is an unrealistic fear. *(pause for emphasis)*

Many important decisions are delayed and opportunities lost because people are afraid they don't have it just right. In marketing and sales 80% right is excellent. MBNA the largest credit card company in the world conducts 300 to 350 marketing campaign experiments per week and is **delighted if 60%** are successful. What better way to illustrate, that you are wrong it is OK. You can correct a mistake. But if you are confused...you will **never** know what to do.

By first developing consistent channels of communication between sales and marketing, you are presented with a distinctive opportunity to begin establishing your own unique Value Marketing program: where formerly segregated sales and marketing operations become interdependent: complimenting the others' weaknesses with their unique strengths and developing an operation based on synergy and shared purpose.

(Move to slide 5)

As your organization moves to this mutual-responsibility model, this creates seamless alignment between sales and marketing. It also reveals areas of common interest. You begin hearing the word's "that's our job", not "that's your job": and more of "how I can help?" With alignment comes a greater sense of ownership over the entire process. Tasks are transitioned and in many cases, shared. A "we're all in this together" spirit begins to permeate your new organization where sales and marketing work in-harmony: not at cross-purposes or in a reactive manner.

(Move to slide 6)

But in order to reach this golden objective, you must first determine where you are and what sort of best practices will characterize your newly- aligned cooperative model.

By design or default everyone is counting on something to win? Everyone needs to answer the question “why will the customer buy from us? I use the singular “customer” because everyone answers a different call to action. The question also much be asked, “what is our competitive advantage?”

If you were to write down the three or four key reasons why customers buy from you what would they be? *(longer pause to produce a lingering effect)*

Your first objective is to define what roles, unique to your business model that marketing and sales will perform. These roles should be guided by exactly what you are counting on to win. Why will customers buy from you? What is your comparative, competitive advantage in the marketplace? There is a sequence it is best to follow as each answer produces the next applicable question.

Typically, it begins with innovation: your product. You’ve got a great one. In some cases, your product is revolutionary. This is your initial competitive advantage. But your unique product won’t keep you there since your competitors are certain to catch-up with you.

This is what the German machine industry has been counting on to win ... this is where you have placed all your efforts ... engineering great machines ... **the best in world!** But any competitive advantage based on product excellence becomes harder and harder to maintain. Is it easier or more difficult for foreign competitors to duplicate and imitate your machines? Is competitive advantage based on product innovation easier or more difficult to maintain?

In fact is it not true that every other country makes good machines too. Perhaps the business growth and profits you want are not to be found in the just the best machines.

Today, in China, a five seat van is produced for a manufacturing cost of no more than \$3,000 ...It may not be as safe as the established auto maker's. It may not run nearly as long. But even at that \$3,000 production cost, with a 25 percent markup many can buy a new one every year.

What the Chinese have done is modify the competitive playing field by shifting the van from a durable to non-durable good: thereby influencing a change in how the buyer strategically values transportation. *(long pause to let this sink-in)*

OK you must compete with the Chinese with your innovative machines. The only competitive option is to keep **yours** running much longer and, to that end, provide clearly superior service.

Innovative products and services must not only match the requirements of targeted markets: but re-enforce their value in the buyer's mind. That is the entry fee, your ticket to the value game. Without this you **cannot play**.

You may not even know the game is going-on and will miss opportunities that open and close before you can react to them.

So what is required is a three-way partnership between marketing, sales and your customers in making the determination of what to build.

The idea of "we will build it and the customers will come" is no longer valid. **You must learn to build what the customers want and when they want it...or all is lost!**

Typically, the next step is to leverage your innovation by creating distinctive value separation in your service offerings to mitigate that narrowing product gap posed by your competition.

But your competition will eventually catch-up in the service offerings to match yours. So the next step is to maximize your overall value: the price relative to return for your customers.

OK: you have a product...and have wrapped a superior service offering around that product. The next question is: how much is that product and service package worth?

How will your customers measure and denominate the value you offer? Is it just price, or price performance, or return on investment? And who sets the value criteria: you, your competition or the customer? And who supplies the support for your value arguments? (*longer pause*)

The first sign of lost of value is what? You don't need market research to tell you this. The first indicator of value loss is increased demand for price concessions, discounts and allowances: all of which cut into margins. It is my job to sadly inform you that your unique product has just become a run-of-the-mill commodity To avoid that, the right product and service **must be delivered in the right value package.**

Behold the discount airlines. Their planes are the same, their customer service levels are perhaps not a high: but are good-enough to not eclipse the diminished value expectation that is often attached to lower price

A great deal in the travel industry doesn't necessarily require the very best product **and** service. And consumers are showing a willingness to put up with lower service levels for the hour or three it takes to get from one location to the other...if they can save a few hundred dollars.

In the U-S, Southwest Airlines is a discount carrier with only one type of aircraft, limited routes, no fancy service and yet it has not only generated a profit every year since it was established in 1971: but remains the **most profitable** airline in the US, competing head-to-head with established carriers like United, Delta and Continental (all of which are in bankruptcy): and American which barely avoided bankruptcy in 2004. Last year, only two U-S airlines, Southwest and fellow discounter Jet Blue were the only carriers that made a profit.

Thankfully this isn't happening in Europe ... *(pause for impact)*. But could such a thing be happening in your industry?

So, the market for your product, the services that support it and the value it commands has matured. Here is where your reputation, your name-identity is leveraged. You're a leader. Your status within your industry is highly regarded. It represents success. It's time to exploit that success in the marketplace.

Value Marketing tactics become a most critical asset as you enter this stage. Your reputation alone, will open doors that, before might have been closed. You are a known entity. You are shown respect and paid greater attention that you can leverage: turning an interested prospect into a qualified one. This is because the sum of your brand is viewed as a whole: no longer just as the product alone, or the service, or the price.

The Holy Grail is within sight. New (and renewed) business is generated as a result of your reputation as a whole, coupled with the connections you have made in the marketplace that are a product of relationships you have built, based on your accumulated reputation that is the sum of the innovation -- value and recognition of your product you have carefully built over time.

Those of you who know motorcycles have certainly heard of Harley Davidson. Now I don't want to pick on the Americans too much but think of this. Harley

doesn't make the best machine, nor has the best service. But yet, they charge a price that is at least twice as expensive than a similar motorcycle manufactured by the competition. So what are people buying when they purchase a Harley?

The brand!!

It is by far Harley's most valuable asset -- so much so that a third of the company's total revenue comes from selling things having little direct linkage to motorcycles: such as licensed clothing and collectibles, which also are **much** more expensive than their non-licensed competitors. **A single coffee mug with the Harley Davidson logo sells on the company's Web site for EIGHT DOLLARS!!** Essentially, the Harley brand has become a *license to print money!!*. (*pause*)

Your brand and reputation mean a lot ... what is yours, what do you stand for ... what are you counting on and what do people think of when they think of you?

In many cases the difference between product, price, value and reputation is not clear or easily made. In fact each one of your competitors probably tells a pretty good story about what they sell. The differences are often narrow and subjective. Value is a perception that can vary from reality.

Have you ever lost a sale when you had a better machine? ... Better service? ...Better Price ? A better name?

We have all had this experience so there must be something else ... it is a **connection**.

It is the way people feel about you and your company ... the ease of doing business, their comfort, their trust: their security. All influence their decisions. This is especially true when other distinctions are difficult to measure.

In conducting many win loss - reviews we have often found that the balancing point of the decision is the comfort of the buyer with the vendor ... comments like “we were just more comfortable”...or “we felt better about”... or “were more confident in them”...are **very** common.”

If you doubt, then consider this ... **you** likely buy things everyday...from people who probably don't have the best product or service or price or name. **But you like them.** You **trust** them! **That's** why you go to the garage, or the store or the restaurant you do.

If you don't have this vital connection, then the buyer's criteria will favor in-close situations with vendors the buyer **does** like and trust! If you have the buyer's comfort and trust, you don't **have** to be the best in every area. And as a bonus: you will be more-quickly forgiven for the occasional sin in areas where you might have shortcomings. (pause)

Value Marketing **empowers** you to determine which aspects of your competitive advantage will drive individual prospective clients. Some may hear the call to action in your product innovation. Others might see its service value. Still, others may be drawn to your reputation. By developing meaningful, cognitive relationships with every prospect and translating each ones unique “calls to action” along all lines of your sales/marketing organization, you leverage this intelligence into more solid connections and ultimately, higher close rates with better-quality customers.

The sad alternative is sales relationships that have their foundation in price-alone. And you know, **customers who buy on price-only are disloyal:** the greatest drain on your organization and pose the **most danger** to maintaining your position in a competitive marketplace.

The most important thing is to be absolutely clear and consistent in your marketing messages that define your source of competitive advantage. What messages does your marketing support? Are they the same messages your sales force is presenting? Are they the same as what your customers are looking for? If they are not you are misaligned, competitively vulnerable and may possibly find yourself locked out of the value marketing game.

---End Section One---

Interlude!

I want to take a moment now to allow you to catch your breath and collect your thoughts. I've given you a lot of theory that we will shortly turn into practical application.

At the end of this presentation, time-permitting, I hope to answer a question or two you may wish to pose. If you have one, please write it down and raise your hand so a monitor can collect it.

Then, if you will turn to page (??) in your agenda, you will find two charts. One of them is labeled "**your company**", the other is "**your toughest competitor**".

In the space below your company, from a marketing and sales perspective, write out where you are strong, where you are weak and based on what you have learned so far, what might you do differently to bring a Value Marketing model into your operation?

Then, move to the area of your toughest competitor and answer those same questions. If you want to get up, stretch your legs and move around for a minute, feel free.

Then take a **good** 5 minutes to allow them to do this and keep visual on overhead...

Then begin next section by moving to slide 7

---Begin Section Two---

All Right Now --- Hopefully I've helped you understand the sources of competitive marketing advantage. After you have defined and aligned according to these sources you must communicate them to your potential buyers. Lets take a look at how buying decisions are made.

There are three components. **Personal...Business...and Product.** Here is what happens in a buying decision.

People have personal needs and desires: essentially, personal agendas. Everyone has one. It may be the need to be successful, earn more money, have greater security, recognition, status, or earn a promotion. What people usually do is translate these agendas into business initiatives. They connect what they want personally to some business initiative or action they think will advance their agenda.

People do not act outside their personal interests for long. Of these three components, the personal one is the most visceral and thereby, not only the most difficult to overcome if the impression is negative, a **positive** impression is the most reliable component when it's time to make a decision.

After people translate their personal needs into some type of business goal or objective, then they search for vendors whose product and service offerings (the source of competitive advantage) are most likely to achieve what they want. This is the fixed sequence, personal first, business impact second and your machines third.

Now you may not be involved in all aspects of this decision. You may only be involved in the product and service aspect. If this is true then it follows that a vendor with a similar product, but greater insight into the business and personal aspects of the decision will have a better competitive advantage.

How does your marketing support this way of thinking? What do you need to communicate about business and personal needs to gain the upper hand?

Your ability to translate the personal needs (and underlying political agendas) within your prospects into a genuine desire for them to do business with you: then translating those into a true demand for your products and services from the perspective of the way a customer thinks is **the critical opening step** in any buying cycle. **If you cannot do this, move on because you have already lost the race before it even starts. (pause)**

Remember...people...don't...act...against...there...own...self-interest!

(pause)

Nor do they buy your products in a vacuum. They buy the **impact** your products will have on their business and more importantly, **on their selfish selves.**

So your Value Marketing initiatives **must** address these issues in every step of what it does and how it supports sales.

Translating the personal impact into the business impact can take many forms: profits, better penetration of their markets, new product offerings, better operations, lower cost and many other priorities that can only be correctly

detected once these personal issues of your contact (relative to the prospective buyer's political landscape) have been properly identified.

Once these two elements of this component triad have been established, they create the **true product value** that is unique to this buyer.

In the context of the relationship, no one element of the triad can exist without the other two. Notice that the ideal area of this diagram creates a nexus between all three circles. Value Marketing, by its very definition, enables you to reach this point, unique to each prospect. And though the sale is by no means a foregone conclusion, by reaching this nexus you discover that you now have a **highly qualified prospect**.

(Note: the parable below is presented in both first-person (if the speaker wishes to take ownership) and third person if he wishes to present it as "a friend of his". Whichever is used, the other must be deleted).

Let me illustrate this point with a personal experience.

Years ago as a young married couple my wife and I could not afford to buy a new car. This was fine with me because I didn't want a new car and preferred to buy used cars.

My wife, however, did not feel this way at all. She always wanted to have a new car for reasons that I could not understand. But her need was great and non-negotiable.

Time passed and we were able to afford a new car. I researched the market carefully and determined that a Honda was the best new car to buy. It cost just under \$8,000 at the time. But when we went to the dealer to purchase the car I discovered that the actual price was not \$8,000 but actually **\$8,400**. I refused to

be taken advantage of by the dealer and told my wife the purchase was not possible.

As we drove away from the dealer she began to explain to me what had just happened and it had little to do with purchasing a car. It had **everything** to do with the future of our relationship, honesty, trust and a promise made. I knew I was wrong but was not confused.

So I pulled into the next dealership not caring what kind of car they sold. It happened to be a BMW dealership. At this point I no longer cared about the product or the business impact on our finances. It was all about a **personal agenda** ...preserving my relationship with my wife.

As we spoke to the sales person it became **my wife** who was concerned about the product and price...not me.

The whole process had reversed itself. To make a long story short I purchased a car that evening. It was one of the best purchases I have **ever made**. It had nothing to do with the product or financial impact. Rather, it had **everything** to do with my personal agenda and **how I never act against my own self-interest**

The moral of the story? Never underestimate the power of a personal agenda

(pause)

Or...

Let me illustrate this point with a story told to me by an American friend.

Years ago as a young married couple he and his wife could not afford to buy a new car. This was fine with him because he didn't want a new car and preferred to buy used.

His wife, however, did not feel this way at all. She wanted to have a new car for reasons that my friend could not understand. But her need was great and non-negotiable.

Time passed and the day came when they were able to afford a new car. My friend researched the market carefully and determined that a Honda was the best new car to buy. It cost just under \$8,000 at the time. But when they went to the dealer to purchase the car he discovered the actual price was not \$8,000 but **\$8,400**. He refused to be taken advantage of by the dealer, told his wife the purchase was not possible and they quickly left.

As they drove away she began to explain to him what had just happened. It had little to do with purchasing a car. She said it had **everything** to do with the future of their relationship, honesty, trust and a promise made. My friend discovered his error in judgment, quickly knew he was wrong and immediately understood only one remedy was possible.

He pulled into the next dealership he saw: not caring what kind of car they sold. It happened to be a BMW dealership. He no longer cared about the product or the impact on their finances. It was all about a **personal agenda** ...preserving his relationship with his wife.

As they spoke to the sales person it became **his wife** who was concerned about the product and price...not my friend. The whole process had reversed itself

To make a long story short my friend purchased a car that evening. And he says it was one of the best purchases he's **ever made**. In the final analysis, his decision had nothing to do with the product or financial impact. Rather, it had **everything** to do with his personal agenda **and how he would never act against his own self-interest**.

The moral of the story? Never underestimate the power of a personal agenda.”

(pause)

(Move to slide 8)

The dysfunctional relationship between sellers and buyers can often be explained by considering that they approach the process from opposite directions. The seller wants to start talking about their machines while the buyer begins by thinking about their personal agenda. (pause)

Juxtapose the triad diagram to this sequential one. The marketing and sales operations are working at cross-purposes. Sales' pushes products: marketing pushes relationships. There is no commonality: nor sense of cooperative purpose or shared objectives. There are also, likely little "kingdoms" that have been built within the organization: which discourage collaboration in the interest of business development.

The prospective customer is confused because not only is the seller offering conflicting views of what it can do, it is also suggesting that if the sale is made, the relationship may be static: inconsistent, dysfunctional and far from satisfying. Chances are as the contract approaches its end, the customer will seek out another provider: and be gladly rid of its former supplier once it has moved on.

(Move to slide 9)

So now we know (recap as you wish). This is the "what" of value marketing. Now let's consider the "how" of value marketing. It can be summarized in one slide.

(Walk then through the diagram and ask them to jot down the two or three most important things their firm could do in each element)

Here is a typical sales process ... yours may be a bit different but whatever it is it needs to be supported by marketing.

I will briefly describe each element and ask you to define within your business, the two or three most important actions of support you need from marketing. When we are finished you will have established your value marketing priorities.

(we could create a form for them to fill out. This will definitely fill up the remaining time and it will provide a practical deliverable...see above "interlude" section as a guide)

So, what are the practical actions that will turn a traditional marketing operation into a Value Marketing enterprise?

The traditional buying sequence divides all the areas in which marketing can have a direct impact on every step in that sequence.

Preconditioning the market, providing thought leadership and insight into your markets and the ability to find ways of identifying your product's value into not only the marketplace in general, but individual prospects have value in the pre-sales phase.

Guiding sales to target market segments, crafting unique value statements for ease of introduction and assisting in qualifying your opportunities in a coordinated manner as your sales professionals prepare their overtures to prospective clients, empowers them to correctly assess the value of the prospect and create interest within that prospective customer's organization once contact is made.

By this time, the new convert to Value Marketing, if the first two steps have been done properly, will likely be pleasantly surprised at the quality of the introduction and interest on the part of the potential customer. You've got them right where you want them.

The most critical phase, and the area where most sales are lost, is when the time comes to propose value. It must match what the customer is looking for in a way the customer will feel you are the only one who is capable, and motivated, to give him what he wants. Good research, not clairvoyance, or luck will assure success. Use these general questions to identify the primary elements in developing and presenting a successful proposal. After awhile, you can return to this and be more specific.

1. Can you identify your competitor's strategy and tactics? Chances are your prospect is aware of your competition. Knowing how your competition presents itself, what it emphasizes and how it proposes to solve its customers' problems while it builds value for its customers' sets you apart. (Remind of questions asked during the interlude)

2. Can you compile successful value proposition templates. Show your unique value relative to your prospect's business model (taking into account the product impact, personal impact and business impact factors? Do this properly and you have moved to the short-list of possible suppliers.

3. How well are you able to collect and distribute proven competitive counter tactics to those in your organization? If you have identified your competitor's strategy and tactics and are aware of the current status of your marketplace, you are eliminating objections that will be based on your competitors' offerings

4. Can you use this newly-found intelligence to establish influential relationships with your prospects? Learning who the decision-maker is, and understanding that person's relationship value quotient makes it easier to translate your relationship value into business value within the prospect's organization. Of course, you want to take every opportunity to develop as many relationships within the prospect's organization since you will learn much about how things are done. But your relationship with the ultimate decision-maker, and

the processes within the organization through which buying decisions are made is most important.

5. Can you craft high-level business impact messages? If you have incorporated the previous tasks, this one becomes self-fulfilling. You have developed the perfect presentation based on good, cooperative research, countered your competition before the prospect can invoke your competitors, identified the decision-makers and engaged them.

Once the presentation is made, do you understand why feedback and gauging the impact of your presentation have now become important factors?

Development of internal, qualitative results tracking procedures then disseminating and analyzing these results not only give you an understanding of your stature at this juncture, as the prospect is considering your proposal, but also tells you if your presentation has any deficiencies. If necessary, you can supplement or amend your proposal informally. But you can also make future proposals to other prospects better and more clearly.

6. Congratulations. You've just learned that you sold the account. Start thinking about how you're going to spend that commission check. The job is done: right?

Unless you want this customer to be a one-hit-wonder, nothing could be further from the truth.

How prepared are you to conduct win/loss analysis and study the implications for this new client relationship. You know what to expect because the new client has told you what is expected of you. And of course, it's time to share news of your success by developing industry press releases. Those areas are the ones prospective clients check when searching for similar services.

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What you will discover as you implement and adjust your Value Marketing process is that duties previously found in the traditional support marketing model have become vital elements in a finely-honed, collective **sales and marketing organism**. It relies on open communication between the people who research and develop the environment for the sales professionals to use, and the sales force itself.

Each feeds off of...and relies on...the other!

Marketing professionals gather, manage and interpret intelligence that comes in many forms.

Sales must accept the responsibility to provide marketing with the input it needs to create an aligned partnership capable of executing a defined “go to” market sales strategy. This involves sales’ keeping marketing up-to-date on the experiences and situations they (sales) encounter so the marketing staff can correctly interpret, then develop reliable information on which sales professionals begin, then sustain the sales cycle.

Each needs the other in order for the team to succeed. And together, both create a value selling process that is self-actualized.

Conclusion

The primary challenge of incorporating these so-called “soft factors” that many view as supplemental marketing tasks into an effective argument for your organization to embark on a journey that will produce your own proactive Value Marketing operation can be daunting.

But once you begin this journey, you’ll quickly learn that the primary trait of an effective Value Marketing enterprise is common sense.

Maybe, if you still have doubts, you should ask the simple question of how do you want to present yourself? Do you simply wish to be viewed as a machine constructor or rather, you rather be known as a partner with your customers that helps them earn money and displays a desire to share in their success?

If that is how you feel, then you have all the reason you need to embrace Value Marketing and make it the relationship-builder and profit generator it has proven itself to be.

Leave last slide on display for emphasis and muse/reference during Q&A and break period between your speech and the next speaker