

# SmartBlog on Leadership

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## STRATEGIC MANAGEMENT

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### Does your value proposition pass the test?

By Pat Tremaine on October 22nd, 2013

Do you have a well-articulated, customer-focused value proposition? Is your organization aligned to it?

The value proposition may be a simple statement about the value you create in customer terms and how the customer feels after interacting with your product/service, and having one can provide focus for your organization.

A good measure to determine if you have a clearly defined and articulated value proposition is if your front-line staff knows what actions they need to take every day to deliver it. If they cannot answer that question, then you have not clearly defined, communicated or implemented it.

A well-executed value proposition can bring your brand to life and improve the customer experience. Delivering on your value proposition requires cohesion between cross-functional teams in the organization. The entire organization must be engaged, and each employee needs to

understand what actions they have to take to deliver on the value proposition at each customer touch point.

Whether you already have a value proposition in place or have determined that yours needs to be redefined, here are 3 key steps for creating alignment around the value proposition to enhance the customer experience.

#### **1. Ensure all executives are on board, engaged and accountable.**

Defining and implementing a value proposition is not a marketing exercise; it is an organizational exercise.

While marketing must play a significant role, facilitating organization-wide involvement is critical.

Best practice indicates that there needs to be one executive sponsor, but executives from each key functional area must also be on board to ensure the successful and consistent delivery of the value proposition proof points. It is also very important that the CEO is involved in the value proposition development, as well as key milestones along the way.

Remember that this is not about creating a marketing positioning statement — that is a derivative of this exercise; it is about defining the activities and actions your organization must take to deliver a consistent and valuable customer experience.

#### **2. The customer must be at the center of the value proposition development**

Many organizations have proprietary and syndicated customer information including customer satisfaction surveys that can be used as input, but that is just the starting point. Equally important is gathering customer information from all touch points in the organization: sales, service, customer care, etc. Gather reports and listen in, or visit customers with representatives. Once you have gathered all sources of input, distill the information down to customers' needs and pain points.

From the analysis, create two or three distinct value-proposition hypotheses. These should be statements with clear descriptions of the value you create in customer terms and an account of how the customer feels after interacting with your product/service. You will also need to define the related activities (proof points) that the organization needs to engage in to deliver each of the value-proposition hypotheses.

The value-proposition hypotheses need to be validated with your customers. We use a methodology call co-creation that involves customers and employees in a professionally facilitated process. The direct interaction between customers and employees results in valuable insights and deeper understanding. Utilizing a collaborative, cross-functional, customer focused approach

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will help you to select and fine-tune the value proposition, achieve alignment and buy-in, and create the impetus for change within the organization.

### 3. The value proposition work must be used to guide the organization

A value proposition that is developed with customers and employees, and is communicated in the customer's voice can rally an organization to action. Implementing the value proposition proof points consistently creates strong customer relationships and can transform an organization. The following will help to ensure that your value proposition is a living process:

- **Build a cross-functional team.** Similar to the executive buy-in; you need to have all key stakeholders involved in the development and implementation.
- **Use it to feed the planning process.** The proof points should be projects and activities unto themselves and need to become part of the strategic plan for the next one to three years.
- **Use it to help set priorities.** When completed, the proof points need to be discussed and prioritized. Determine which ones must be delivered because they are expected and which ones differentiate you from your competitors.

- **Create action plans for each proof point.** Each proof point needs to be scoped out with detailed activities that look at how each functional area will deliver. Developing these plans cross-functionally will guarantee alignment and consistent delivery.
- **Measure and report.** Create milestones and measurements at the strategy and execution levels so that the organization sees the progress and impact
- **Communicate.** Regular updates will make sure that the organization understands what is being done and their role in its success.

Your value proposition is the single most important element driving your brand. Don't leave it open to interpretation or let others define it. Take control and make it work to bring your brand to life.

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