

The two skills needed to leverage the power of a value proposition:

1. You need to be able to **identify** an effective value proposition.
2. You need to be able to **express** an effective value proposition.

1. Identify your value proposition

Characteristics of an effective value proposition:

Value proposition is the primary reason why a prospect should buy from you.

This requires you to **differentiate** your offer from competitors.

- You may **match** a competitor on every dimension of value except one.
- In **at least one** element of value you need to **excel**.
- In this way you become the **best choice** for your optimum customer.
- There is a difference between the value proposition for your **company** and for your **product**. You must address both.

Use a 1-5 scale to rate the quality and uniqueness of your value proposition:

1. Limited value to a small market. Extensive competition and/or few barriers to entry.
2. Substantial value to a medium-sized market. Limited competition and/or significant barriers to entry.
3. Product or service with strong product differentiation, but little competitive protection.
4. Unique product or service that is highly valuable to a large market, and strong competitive protection and/or extensive barriers to entry. This may take the form of a registered patent or limited access to product components.
5. Unique product or service that is highly valuable to a large market, and exclusive or near-exclusive control of essential product components. May include a registered patent.

If your value proposition does not rank as a 3 or better on this scale, you should take a critical look at your core business.

Value Proposition Worksheet

Value Proposition Evaluation Matrix

Use this simple system to approximate the potential appeal of an offer:

1. Rank the ideal customer's **desire** level for the offer
2. Rank the **exclusivity** of the offer
3. Multiply the two integers
4. If the total is less than 2, re-craft the offer

		Desire			
		Rank	0	1	2
Exclusivity	0				
	1				
	2				

Desire	Exclusivity
0 – No interest	0 – Anywhere else
1 – Possible interest	1 – Somewhere else
2 – High interest	2 – Nowhere else

2. Express your value proposition

Principles for expressing a value proposition effectively:

1. Ask yourself: "Why should my ideal prospect (the group you intend to serve) buy from me instead of a competitor?"
2. Compare your answer with the claims of your main competitors.
3. Refine your value proposition until you can articulate it in a single, instantly credible, sentence.
4. If you had just 10 words with which to describe why people should buy from your company instead of someone else, what would you communicate?

Write out your value proposition:
