

CONTENTS

About the authors x

About the contributors xii

An important introduction: getting the best out of your value proposition 1

01 How financially quantified value propositions will make you richer 5

Introduction 5

The dreaded website copy 6

The problems facing most organizations today 7

Let's get the dreaded price issue out of the way 8

Sales velocity 11

Actions 13

References 13

02 Quantifying the emotional elements of value propositions 15

Introduction 15

There is no such thing as a 'rational' customer 15

So what is a brand and why is it so important? 18

Brand valuation 19

Market segmentation: the bedrock of profitable growth 20

Summary so far 25

Putting it into action 26

Actions 32

References 32

03 What exactly is a financially quantified value proposition? 35

Introduction 35

Understanding the real meaning of customer value 36

Value proposition	39
The emotional contribution of value propositions	44
Conclusion	45
Actions	45
References	45

04 An overview of the value proposition process – where to start 47

Introduction	47
Strategic marketing planning	47
SWOT analyses	49
Putting the value proposition process in the context of marketing and KA planning process	50
Define target market	50
Actions	56

05 Why it is critical to understand how key buying decisions are made 57

1 How major customers buy	57
Introduction	57
The need to define who the customer is	59
The need to understand who ‘the buyer’ is	60
There are two types of buying professional	63
Actions	68
2 How other customers buy	69
Identifying the key decision-makers	70
Segmentation	70
Actions	70
References	71

06 Which key accounts should you develop value propositions for? 73

Introduction	73
Which key accounts are ‘strategic’? How to select and define them	73
Classifying key accounts: how to understand their differences	76
Interdependent KAM	79
Integrated KAM	80

Disintegrating KAM 82
Be realistic about key account relationships 83
The relevance of this to the development of value propositions 94
Actions 95
References 95

07 Which segments should you develop value propositions for? 97

Introduction 97
Targeting mid-sized B2B customers by their potential to succeed 97
Further refinement and focus 103
Actions 103
Reference 103

08 Understanding key account and segment needs before building a value proposition 105

Introduction 105
Key account analysis 106
Step 3: industry driving forces analysis 106
Step 4: customer's objectives analysis 110
Step 5: customer's annual report summary and financial analysis 110
Step 6: customer internal value chain analysis 112
Step 7: the customer's buying process 116
Step 8: your sales history with the client 123
Step 9: competitive comparison and competitor strategy 123
Next steps 128
Summary 129
Actions 131
References 131

09 Understanding our own asset base and capabilities 133

Introduction 133
A case history of a value proposition from a commodity supplier 135
Understanding our own capabilities 138
Competitive analysis 142

Actions 144
References 144

10 Developing value propositions 145

Introduction 145
Section 1: value propositions for segments 145
Section 2: value propositions for key accounts 153
The final piece 153
In conclusion 153
Reference 156

11 Creating and financially quantifying value propositions 157

Des Evans, former CEO at MAN Truck and Bus UK Ltd 157
A case study contribution about MAN Truck and Bus UK Ltd:
delivering value and communicating value 158
Answering question 1: who are the target markets? 158
Answering question 2: what is your differential advantage? 161
Conclusions and lessons learned 167
Final comments 168

12 Developing and presenting value propositions that resonate with customers 171

Todd Snelgrove, former Global Vice President of Value, SKF 171
Quantifying your value so customers are willing and able to pay
for it 172
Why spend the time and effort to quantify your company's
value? 174
The 'ability to sell value' component 176
The 'want to sell value' component 181
To keep the programme alive and flourishing 189
References 190

13 Value-celling: how to maximize value creation in supply chains 193

*Mark Davies, Managing Director of Segment Pulse Limited and
Visiting Fellow at Cranfield School of Management* 193
What is the chapter about? 193
Introduction 194

A supply chain story 195
Value in business marketing 198
Easing the value tensions in supply chains 202
Ten steps to build supply chain capability 204
Ten tips to help you create value with your supply chain 208
Reference 212

14 Financial analysis, value quantification tools and financial dashboards 213

Value chain model 217
Defining the numbers for improving sales and marketing
and scenario-building 221
An ROI contribution from the industry 224
Actions 229
References 229

15 Summary of the value proposition process 231

Step 1: define the target market 231
Step 2: identify buyers 232
Step 3: added value analysis 232
Step 4: categorize 233
Step 5: financial quantification 233
Step 6: communication to target customers/markets 234
Summary 234
Reference 235

Index 237