

# VALUE SELLS... BUT WHICH VALUE?

Finding Out What's Important to the  
Buyer Can Help Get the Deal Done



# VALUE SELLS... BUT WHICH VALUE?

*Why is it when talking to salespeople, they almost always want to talk about selling value?*

- The value the customer can get from their solution
- The value they provide to the customer
- The value the customer will obtain if they buy their solution

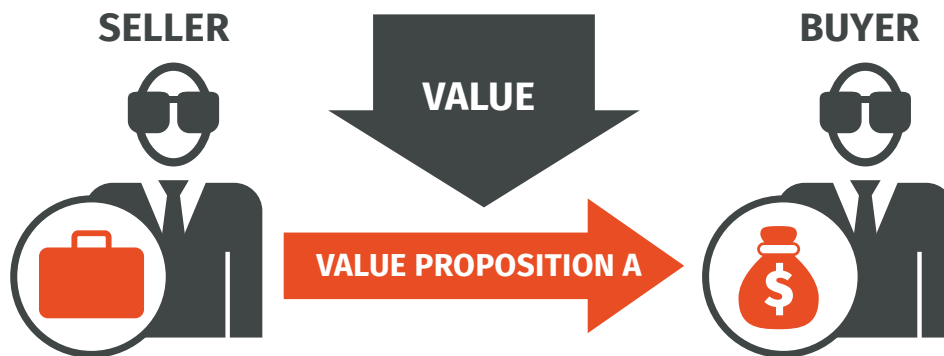
OK, let's handle a few things:

## 1 VALUE IS NOT NECESSARILY YOUR VALUE

Most salespeople think they provide value. It's their Unique Value Proposition, actually sometimes called a UVP, and their main competitive advantage...

**REALLY???**

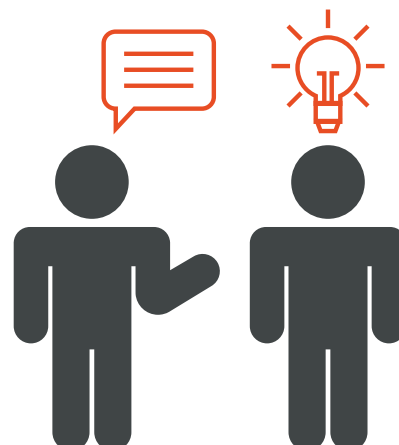
There are two different value propositions: yours and the customers.



*Here is Value Prop A – Your Value. (See diagram. Californian with sunglasses!)*

## VALUE PROPOSITION A

The explanation goes like this. The seller is trying to sell the buyer something, and the seller is convinced that if the buyer can just understand the seller's value proposition, then they will see the light and make a purchase decision.



Well, it just doesn't work that way, and here's why. The Buyer has a customer, either internal or external.



### INTERNAL CUSTOMER EXAMPLES

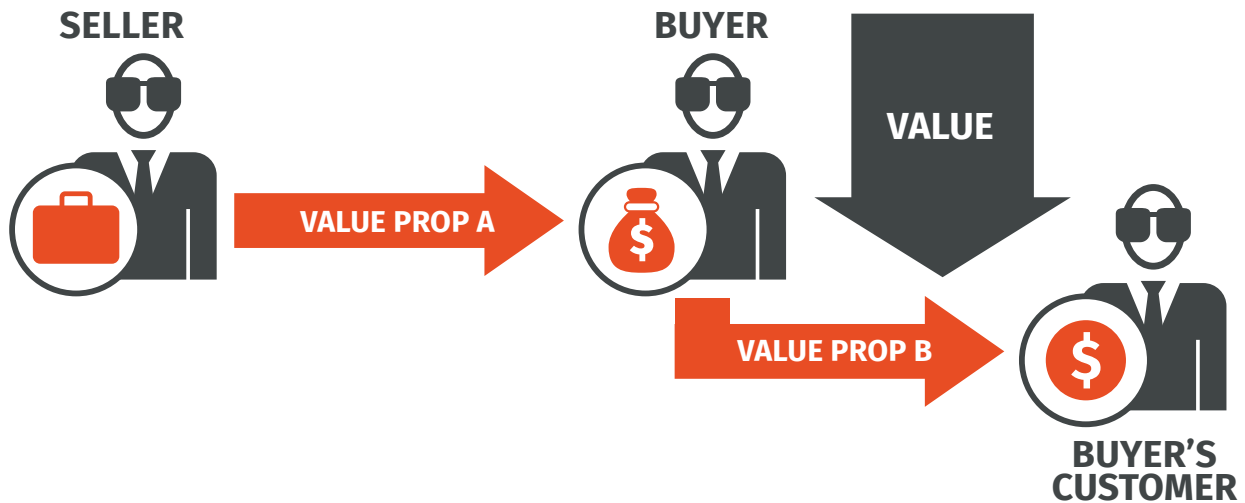
- IT services helping the sales organization
- Sales reporting forecasts to the CFO



### EXTERNAL CUSTOMER EXAMPLES

- CFO serving the financial community
- CMO's commitment of revenue for the new product line

Your buyer's role has now changed from being your buyer to now a seller, selling to their customer, since they have to have a customer. The real value to the original buyer is now not Value Proposition A, but has shifted to Value Proposition B.



## VALUE PROPOSITION B

Value Proposition B says the original buyer has a customer, and their customer, the Buyer's customer, has a need. If the need can be met with Value Prop B, then value Prop A becomes valuable. Only if the buyer's customer's value can be increased can Value Prop A be of any value.

Sales, however, seems to think that value lies in Value Prop A, and it's really not their fault. Their company only teaches them about Value Prop A, because to the company, that's their Unique Value Proposition...

## ***OH MY, THAT "UVP" AGAIN!***

It's what makes them unique and why they beat out the competition. However, if sales would focus a little more on Value Prop B, imagine how much more they would sell.\*

\*From *Selling Above and Below the Line*.

## 2 VALUE IS NOT PRICE

The second conversation around value is price. They just don't see the value at our price point. Back to the illustration...



When you offer your price to the customer, they sometimes say they can't justify the value. Well, let's look at the initiatives (Trains) they have... which is why they are looking at a solution like yours in the first place.

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## THE TRAINS

Train 1, launching a new product, is very relevant to what you are offering. As a matter of fact, the client has said at least ½ of the \$5M they are expecting from Train 1 can be directly related to your solution. You're not all \$5M, but a good part of it.

You can't help on Train 2 and 3, but Train 4, the customer churn issue, which is costing them \$2-3M/year, you have both agreed you can make at least a 50% dent on.

OK, so if you are supplying them value to Trains 1 and 4, and your price is \$20,000, do you really think they care about a 7% discount?

It's when you allow them just to focus on price:

"Love your stuff, but you are 20% higher than the competition. If you can come close, we can probably make this work..."



***Few things frustrate me more than those times when I'm talking with a salesperson and they try to justify a discounted customer proposal, yet they have no idea of the value they are providing to the customer. Grrrr.***



## 3 VALUE IS EQUAL TO A QUANTIFIED TRAIN(S) AND THE PIECES YOU PROVIDE

As you have observed, value is really in Solution B to the Executive Buyer (ATL) and to the company, and in Solution A to the person who is going to use your stuff (BTL)\* Both are important, but if you want to really understand what value is to your prospect, you need to:

- **Stop looking in the mirror.**
- **Really quantify their challenges and their gaps between where they are and where they have to be (“I can see \$5M right now, but I need to get to \$10M by the end of the year = \$5M gap).**
- **Talk to the right person, not the purchasing person or the BTL buyer, if you really want to stop the discounting plague.**

\*ATL – Above the Line, BTL – Below the Line. See my book: *Selling Above and Below the Line* for more details.

Value is from the customer’s chair, not yours...yet. Ask great questions, really understand their Trains, and you’ll shorten the buy/sales process and stop having to discount as much as you do.


Looking Forward,

Skip



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