



VALUEDIALOGSM WORKSHOP

HOW TO GET A GREATER SHARE OF CUSTOMER VALUE

VALUE BABBLE

Almost every organization talks about customer value. Ad copy, slogans, websites, even business cards tout how companies create value for their customers. Try a Google search on *creating customer value* and see how many hits you get. About a zillion. There are books and articles, consultants and expert advice. And even a few *Value Recipes* like *Creating Customer Value in Five Simple Steps* or *Value Creation the Six Sigma Way*.

Remarkably few firms have a rigorous process for assessing the customer value they create—*what it is actually worth* to their customers. And even fewer know how to *capture a greater share* of the value customers know is being delivered. Most firms—and their customers—benefit when the value babble is replaced with a Value Dialog.

Dialog is “a conversation with a center not sides.” It’s “thinking together.”

ValueDialogSM isn’t a one-sided declaration of value in a slogan or ad. It’s a structured exchange of perspectives with your customer that starts with “So, *What’s It Worth?*”

SO, WHAT'S IT WORTH?

Does your organization have a candid, coherent perspective on questions like these?

- ❖ How much do we know about “value in use” of our products and services ... for a specific customer?
- ❖ If our product or service creates \$100 of value for a customer, compared to that customer's next best alternative, what portion of that value should come to us as revenue?
- ❖ If we think capturing 30% of that created value is “fair”, does the customer agree? How do we know?
- ❖ How much variation in “value creation” occurs across our customer base?
- ❖ Do our prices vary enough to reflect those perceived differences in value? Or, do our “consistent” prices really mean that we’re wildly inconsistent in value capture - too big a share from some customers and too little from others?

Business is all about the exchange of value. Why, then, are so many companies fuzzy in their thinking about value? Why do businesspeople - including sales and marketing professionals - have such a tough time talking about this fundamental aspect of business transactions?

AND, HOW WELL DO WE CAPTURE OUR SHARE?

Understanding more clearly the value you create and deliver is a great start. Too many companies stall at that point. *Creating* value goes in the “**effort**” bucket. *Capturing* your share of that value goes in the “**results**” bucket. We learned long ago that successful companies don’t confuse the buckets.

Getting better results from value capture depends on thoughtful examination of questions like these:

- ❖ How early in the marketing and sales cycle do we start a candid conversation about “what’s it worth” with prospects and customers?
- ❖ And why do we wait so long?
- ❖ Are we afraid of what we will learn about the customers' view of value? Are we worried that our view of value will scare off prospects?
- ❖ When we say "we left money on the table" don't we really mean that the money stayed in the customers pocket or bank account – or it went to a competitor?
- ❖ And, does that disappointment result from a value dialog that was too shallow, too late or not compelling enough?
- ❖ If forced to choose, would we be better off increasing the value that we create for customers ... or increasing our share of the value we already create and deliver?
- ❖ In this choice, do we deliberately strike a balance between investment in product development [create] and investment in marketing and sales [capture]?

VALUEDIALOGSM - CAPTURING MORE OF WHAT YOU CREATE

ValueDialogSM starts as a straightforward conversation about "what's it worth?" "It" could be a product or service. "It" could be a new corporate initiative. "It" could be a potential partnership or a new geographic market. "It" could be a research and development program - or a whole portfolio of programs. "It" could be a startup company seeking investment.

Value dialog is not simply about price. But, pricing without effective value dialog can be frustrating, even deadly. **ValueDialogSM** is also not simply about cost. But, meaningful dialog can only occur with a good understanding of cost - your customers' and competitors' costs, as well as your own.

A WORKSHOP THAT REALLY WORKS

The **ValueDialogSM** Workshop is particularly effective for Marketing and Sales executives working to provide complex business-to-business products or services to their customers. These "trade-off talking, rational economic people" (TOTREPs) will have the opportunity to apply the workshop tools and techniques to some of their actual customer challenges.

The Workshop will give you hands-on experience with developing and applying the **ValueDialogSM** approach as well as configuring an interactive **ValueDialogSM** model. You will learn what best practices leading businesses use to enhance value creation and

capture. With this foundation, you will be able to apply these tools to other customer interactions as well as extend them to other areas of your business, including investment priorities, product portfolios and resource allocation.

Business Navigation Group's ValueDialogSM Workshop isn't theoretical or conceptual—it's practical and actual. We start working before the workshop so you can work with exercises and applications specifically crafted from your business challenges.

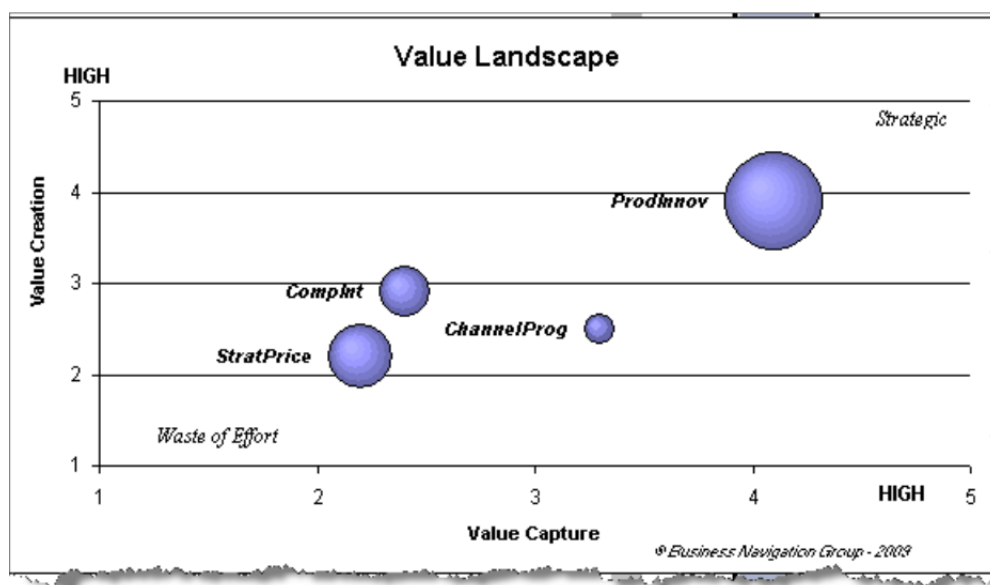
Here's how that works with a **ValueDialogSM** Workshop; we have three phases:



PHASE 1: WORKSHOP PREPARATION – LAYING THE GROUNDWORK

Value landscape and maturity survey

Before the Workshop Delivery, *Business Navigation Group* asks clients to complete a web-based survey that helps describe how your company currently addresses key aspects of the value cycle. Survey topics address how your company considers and acts upon factors that drive value creation, capture and conversion in the context of marketing and selling products or services. The survey also delves into the value landscape in which your company operates – customers and prospects, partners, competition and your industry's or market's buying process. And, the survey identifies tools and techniques currently used by your company and others in your market segment to communicate and negotiate value. The result is a Value Landscape; a portion of one appears below as an example:



Workshop example - selection and background

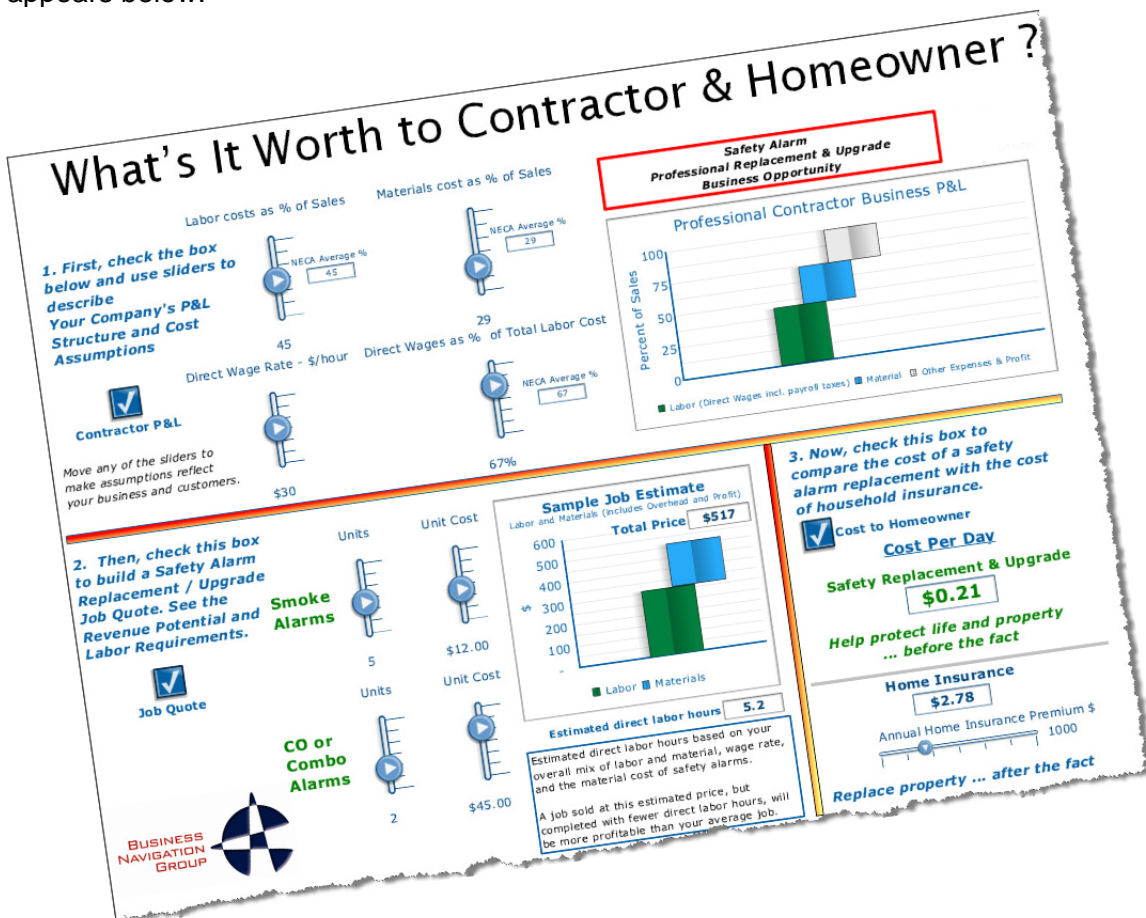
Business Navigation Group interviews one or more client sponsors of the **ValueDialogSM** Workshop to identify a concrete example of a product or service in which the value dialog approach will be developed.

This process typically involves a few phone conversations and the provision of existing marketing and sales materials that cover topics including: customer value proposition, feature / benefit analysis, return on investment indicators and pricing templates. From this, *Business Navigation Group* fashions a real example for participant discussion and model manipulation in the Workshop.

Building an interactive ValueDialogSM model

Business Navigation Group creates a preliminary, interactive **ValueDialogSM** model based on the client's selected example. We use this model to illustrate several applications of **ValueDialogSM** in marketing and selling. Refinement during the workshop produces a tool that participants can apply quickly to their on-going marketing and selling activities.

An example screen shot of the interactive model used in **ValueDialogSM** Workshops appears below:



PHASE 2: WORKSHOP DELIVERY – IDEAS TO ACTION

In the Workshop itself, a marketing and sales team will work in a highly interactive, facilitated environment to apply the model and dynamics of value dialog within the context of their own business. The Workshop typically takes a full day, but we can customize to accommodate your corporate activities, including off-site planning and training sessions.

The table below summarizes the Topics and Content covered in the Workshop. We can adjust the emphasis and sequence based on the results of the Value Landscape and Maturity Survey and the Workshop Example preparation.

Topic	Content
Value Concepts	<ul style="list-style-type: none"> ❖ Value Cycle – create / perceive, capture / share, convert ❖ Value in use or application ❖ ValueDialogSM and Thinking Styles
Value Cycle Maturity Profile	<ul style="list-style-type: none"> ❖ Value creation and capture perspective, including Strengths and Weaknesses ❖ Current Value Landscape, including Opportunities and Threats
ValueDialogSM – Process, Tools and Techniques	<ul style="list-style-type: none"> ❖ Beating the Flaw of Averages ❖ With vs. without perspective ❖ Best [and worst] practices ❖ Examples of ValueDialogSM in action ❖ Characteristics of high impact ValueDialogSM
Building an Interactive ValueDialogSM Model	<ul style="list-style-type: none"> ❖ Why use an interactive ValueDialogSM model ❖ Workshop Example – assumptions and logic ❖ Walk-through ❖ Refinement, extension and applications
Action Plan - Putting ValueDialogSM to Work	<ul style="list-style-type: none"> ❖ Role play and critique ❖ Locking down the model ❖ Where and how to deploy ❖ Action Plan - brainstorm, priorities and decisions

WORKSHOP FOLLOW-UP – MAKING IT STICK

ValueDialogSM, like any other “it” ultimately has benefit only when applied. Our Workshop Follow-up helps clients quickly and effectively apply the perspective and techniques to their businesses. We tailor the follow-up program to your situation and opportunity. Follow-up has these elements:

Tools and templates you can keep using

- ❖ Recommendations for software and data sources that support **ValueDialogSM** modeling, including Xcelsius 2008.
- ❖ Delivery modes and practices - web, email, pdf, webinar, face to face
- ❖ Sample Surveys - online or otherwise

Valuing the workshop

After applying **ValueDialogSM** in their own business, clients can benefit from applying the **ValueDialogSM** techniques and tools to the workshop itself. Consider “What’s It Worth?” to your business. Our intent is to produce “Ideal Scenario” situations where our clients are embarrassed that they paid so little for the **ValueDialogSM** Workshop compared with the benefits it can deliver to their business. This helps executives practice and solidify the techniques learned in the Workshop.

Action Plan tracking

A key deliverable from the Workshop Delivery will be a **ValueDialogSM** Action Plan. We will also provide some tools, techniques and reminders for self-tracking of its implementation. We believe strongly in the importance of both good effort and good results ... and in not confusing the two!

A VALUABLE INVESTMENT

THOUGHT PROVOKER ...

Ideal Scenario: Your customers are embarrassed to be paying so little

Can you imagine negotiating price with a prospect who was embarrassed to be paying SO LITTLE for your product or service?

- ❖ What would it take to achieve this circumstance with your customers?
- ❖ Has this ever happened to your company? To other companies that you know?
- ❖ Have you ever bought something that you felt was absurdly cheap because the seller did not know what it was worth TO YOU?
- ❖ What stands in the way of making your prospects embarrassed that they are paying so little?
- ❖ If you only moved halfway to the Ideal Scenario, what would be the impact on your bottom line?

We would be pleased to engage in some **ValueDialogSM** about this Workshop’s potential benefits for your organization. You can start by visiting our website www.biznavgroup.com, or, better; simply give us a call. We can scope a workshop and associated professional fees that will provide you clear and strong return on investment. If you think we should price the workshop *before* discussing its specific application and value to your business, you are probably an ideal candidate for a **ValueDialogSM** Workshop. But, yes, we’ll do that for you...