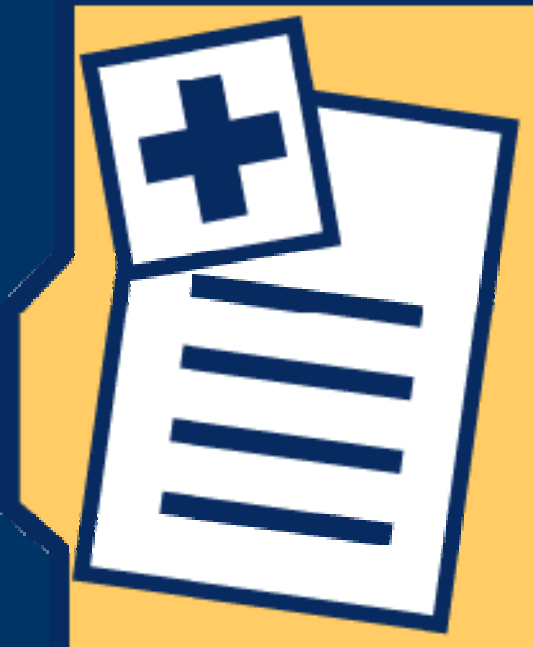


"KILLER" VALUE PROPOSITION

TOOLKIT

SUMMARY



Create **YOUR** Killer Value Proposition - And Give Your Firm (Or Yourself!) The Competitive Advantage You Need!

www.killervalueproposition.com

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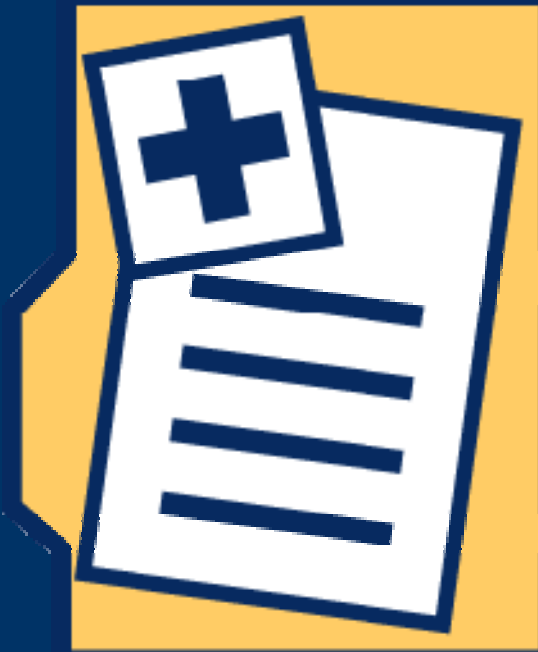
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PRODUCT 180

The Killer Value Proposition Toolkit

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"Your Killer Value Proposition process is especially valuable to our company, as we are reviewing our marketing materials and updating them to support the sales of our new product modules..."

Catherine Kokoreff, Marketing Manager
Augeo Software
Paris, France

"Steve Rankel's Killer Value Proposition process, tele-seminars and workshops present fresh, exciting, new solutions to the problems facing marketing executives, product marketers and product managers. His materials are of such high quality that we invited him to lead several workshops at our recent annual conference."

Therese Padilla, President
AIPMM (Association of International Product Marketing & Management)
Palo Cedro, CA

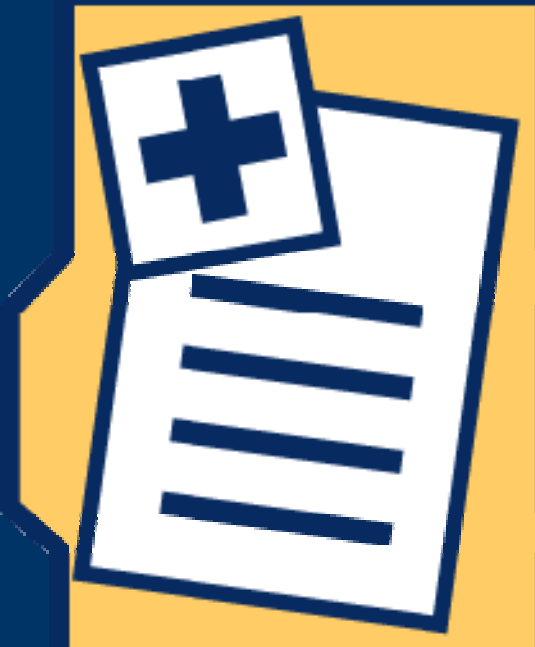
"I am ecstatic with the results of our recent Killer Value Proposition projects. We generated more forward motion and breakthrough product marketing activity in one month than I saw in the entire previous year."

Jay Houser, Director of Marketing
Karl Storz Endoscopy USA
Culver City, CA

"Steve's KVP Toolkit is by far the best way we've found to identify the positioning that will convert your prospects into customers."

Hans Riemer, CEO
Market-Vantage, Inc.

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Chapter 1: KVP Epiphanies

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KVP Epiphanies

Get ready for dramatic results...

It came out of nowhere.

In fact, it was a complete surprise, and contrary to what my thinking was when I began working with the client.

As most of life's little lessons are, they strike you square between the eyes when you're least expecting it.

And this one was a bullseye.

I was working with a client who had developed a very horizontal service offering. They were in a highly competitive space with lots of off-shore outsourcing going on. The pain of globalization was eroding margins at their competitors and putting companies out of business.

Offshore sources, despite strained English and 14 time zones away, were taking away market share from this firm's market at a precipitous pace. In fact, the firm itself was considering outsourcing some of its own work to offshore companies.

So, it was with these many challenges that we began work together on a project to develop their Killer Value Proposition that would resonate with customers old and new. That would win them more customers that were NOT SIMPLY BUYING ON PRICE, which was originally expected to be an issue.

You can imagine our surprise when NO ONE MENTIONED ROI, savings or profits.

Listening to The Customers – Speaking Greek?

The top items came back from some carefully crafted customer surveys. The surveys were handled directly by my team, not a telemarketer or some generic email or mail survey.

NOTE: the best results here is going to be handled by a combination of top internal & external people interacting directly with your customers, not a 3-question survey tacked on to the end of your customer service calls.

The results that came back:

Trust. Reliable. Peaceful. Organized. Accessible. Single point of contact, a phone call away. Respected leader.

None of these are traditional marketing ‘magnets’ for attracting new customers. But all of them were at the top of this company’s list. And allowed them to charge 2 to 3x as much as some of their competitors for the exact same work. Literally.

Is The Softer Side of Marketing & Value Effective? Really?

Yes, very.

We tested it out right after we did the research, refined the KVP, and created some interim marketing materials.

8 days into the project, we tested the new messaging on a new prospect. And the client closed a near-6-figure deal with that company.

In 2 weeks!

Over the phone.

This may have been normal behavior in 1999 during the Internet Boom, but not today.

Well, it can be again. You just need to be sure you have the right KVP components.

Which are the right ones?

The ones your customers will tell you when you use the KVP Roadmap.

The Secrets

Logic makes people think. Emotion makes people act.

All things being equal, people lean towards decision making at a gut level.

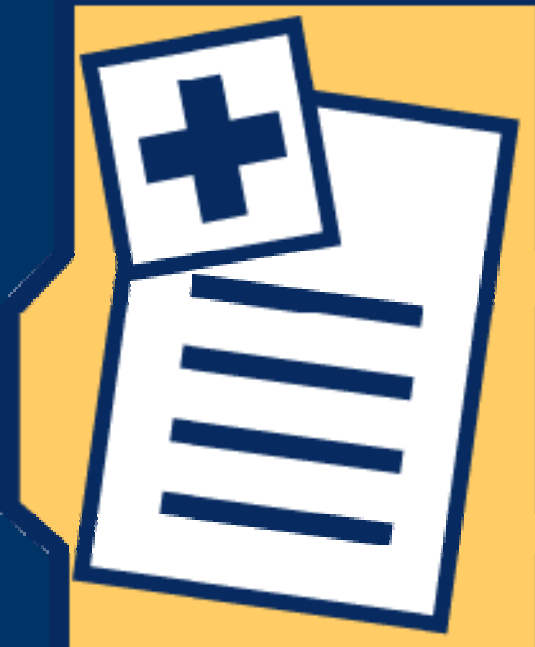
Especially in this age of uncertainty and at times, fear, emotion plays a much bigger role in your marketing and KVP than most people think.

So one of the surprises you’re probably going to have is that beyond the OBVIOUS components of your KVP, you are going to hear some very SUBTLE and INTANGIBLE messages from your customers.

Miss these, and your product or service will never sell as well as you hoped.

But if you hear them, learn them, and incorporate them into your marketing and sales messaging and materials – watch out!

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Chapter 3: Diagnosing Yourself for KVP Sickness

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Diagnosing Yourself for KVP Sickness

Some symptoms of a poor or non-existent KVP are:

1. Product revenue targets that keep getting missed;
2. A rocky product launch despite great effort expended;
3. Complaints from the sales team that marketing isn't generating the correct prospects;
4. Pricing wars to win customers;
5. Sales cycles that are longer than they should be;
6. Salespeople having difficulty getting appointments;
7. Marketing materials that list features and photos but don't create an 'Aha';
8. Sales, marketing, product management and engineering have different ideas of what your KVP is

When you have a clear and concise KVP, everything else becomes easier: your marketing plan crystallizes, your pricing strategy unfolds and your tactical marketing programs are clearly identified as productive or unproductive.

You stop wasting time and money on programs and prospects that aren't the right fit. Your salespeople complain less. Sales increase. Everyone is happier.

Here are some warning signs that we have observed in our consulting and analysis over the years:

For Small Businesses, Startups & Venture-Backed Companies

- An inability to raise capital to support your business – bankers and VC's invest in what they understand and see customers can benefit from
- Difficulty interesting potential strategic partners, especially larger companies, because of unclear benefits and fit
- Difficulty generating appointments for your salesforce
- Difficulty breaking into new markets because of how prospects perceive your company (limited by their exposure to you in the past)
- Competitive proposal and bid situations that come down to price wars
- Marketing materials that list features and clever product photos but don't create an 'Aha' for potential customers

For F-500 & Global Corporations

- Reliance on momentum to get the job done, but with disappointing results
- Declining sales and profits as key 'cash cows' and markets 'cool down'
- Poor performance of newer divisions created to exploit market opportunities that seemed clear at the start but are now 'creating doubts'
- Prospects who are confused by your product or service offerings
- Extended sales cycles not attributable to other factors
- Reliance on promotions, pricing or 'competitive features' to attract new customers
- Difficulty in getting appointments for the salesforce, especially with decision makers
- Marketing campaigns that generate low response rates and lukewarm inquiries
- Difficulty accessing new markets in which you are sure your company has something to offer
- Messaging created by Account Execs at your agency who don't use your product (much less understand it)
- A clear Product-to-Market Match that for some reason is simply NOT producing sales

For service businesses

- Difficulty in getting high-level appointments with decision makers due to confusion about what you do
- A lack of focus in engagements and client work, since you may try to be all things to all men
- Difficulty getting new engagements or projects despite a clear set of skills, tools and methodologies that would benefit your prospective customers
- Marketing and sales based on methodologies, experience, relationships or the 'hot market with money to spend' this year
- No clear message on your marketing materials, website or

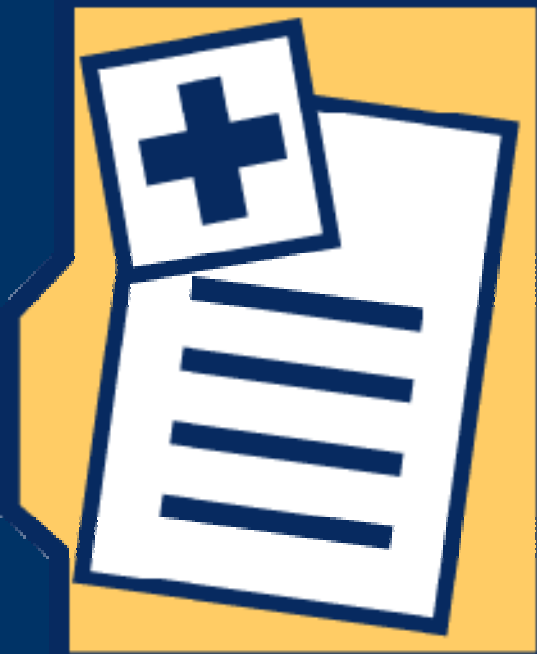
For consumer businesses or businesses in highly competitive / crowded markets

- No clear differentiation between you and your competitors
- Feature-based marketing
- Reliance on incentives, rebates and discounts to win customers
- Competitive bid situations that come down to price
- The mentality that your product can be 'used by everyone' (a sure sign your messaging is appropriate for the generic 'market,' but not for any one person or demographic)

FACTOID: *If you haven't struggled to develop a KVP or invested time specifically to do so, you probably don't have one.*

DIAGNOSTIC: What symptoms of KVP sickness / issues do you see in your company, product line or service?

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**Sample Case
Study (IBM)**

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Case Study: Computer Hardware & Services

- Commodity, Industry – Hardware & Outsourced IT Services
- Highly Competitive, Subject to Globalization

About This Case Study

This next case study is worth gold. Ignore it at your peril. IBM's example of creating a KVP and executing on it in the hugely competitive computer hardware and IT services market is worthy of a Harvard Business Review article.

Not long ago, IBM was struggling mightily to compete. Huge overhead, out of touch with the customers, non-competitive products were ways you could describe them.

But IBM learned and adapted. They will have to do it again before long. Study their victory and strive to implement a process that has you continually thinking and reviewing your KVP like IBM did. If you do it right, you can be a market leader for a LONG time.

Insider Secrets: IBM and the \$5 Billion Dollar KVP Secret

Hidden needs, hidden assets.

If you remember one thing in this report, remember these 4 words – hidden needs, hidden assets.

They are the keys to your developing a KVP.

The IBM PC – Asleep at the Switch

Let's take IBM's PC marketing in the 80's, for example.

IBM's PC Marketing in the mid- to late-80's had no clear, compelling value proposition. They had cool ads with the former stars of the hit US television series M*A*S*H.

However, there was no compelling reason presented to buy IBM's PC. This, and the fact that other company's product innovation was ahead of IBM's, allowed folks like Compaq, Dell, HP, Gateway and many other companies to begin dominating niches that IBM didn't focus on. Eventually these small- and mid-market players became global powerhouses and IBM lost competitive ground.

Is this sort of situation happening in your industry?

Big Blue Wakes Up

IBM realized their customers were looking for more than computers, computing power, reduced Total-Cost-of-Ownership and a secure company from which to buy.

In fact, IBM had a 'business solution' sales approach since the early days. The problem was they had to innovate and create a NEW KVP that went beyond just offering a business solution. Because their competitors had already wised up and were doing the same thing.

Now, IBM's customers are mostly large companies trying to figure out how to grow and be profitable. IBM realized through interacting with their customers and taking a step back to look at what unique value they could offer BEYOND THE OBVIOUS PRODUCT, customers had problems that Genius PhD's might help solve.

Fast forward to Fishkill, New York (not far from the Hudson River, about 80 miles North of New York city).

IBM is famous for its research team. Some of them are located in Fishkill where they even work behind tank barriers because IBM values their research output so much (I'm not making this up!). Some bright VP at IBM figured that if their genius R&D guys working behind tank barriers were busy thinking up the latest technology ideas and doing it well, why not involve them in customer engagements and sales efforts to differentiate IBM's COMMODITY COMPUTER BUSINESS by offering IBM's brain trust as part of their KVP.

Voila!

Understood Customer Need + Unique Assets in IBM = Big Blue Wins Big

IBM's unique strength of research, applied to a commodity business like computers and PC's (which has folks like Gateway declining year-by-year and competitor HP scrambling for corporate computing dollars by buying consulting firms) has become a major KVP for them.

In fact, IBM just won a \$5 Billion multi-year computing & service contract with one of the top US Banks because they began offering value their customers really needed, but didn't state in an RFP or bid request.

And the value differentiator is something no one EVER expected.

You will likely find the same thing if you get out there and talk to the market or your customers.

The beauty of this component of their KVP is that IBM's competitors cannot simply hire hundreds of PhD's, build a reputation for breakthrough patents, thinking and research, and instantly turn this on a competitive offering.

By the time HP, Compaq and Dell figure out how to compete on this, IBM will have another KVP they have produced. They need to start working on it now to maintain and improve on this competitive advantage.

One point that need not be overlooked is the fact that IBM has done an excellent job of managing how the unique assets (PhD's from the research arm of IBM) communicate with customers. Here is where a KVP and the ensuing execution can fall apart. HOW you communicate your KVP (style, form, language) clearly has an impact on how effective it is in convincing customers.

The possible response of prospective customers could be, 'What – send PhD's in lab coats to our sales appointment because you want to help us? No thanks.' They didn't do that at IBM. IBM managed the interactions well, paired PhD's up with sales execs, and got it right.

Other industries have adopted variations of this model – Schott Glass in Germany, for example is well known for providing R&D talent to their customers in order to insure their glass is used as part of high-demand customer applications. And their marketing touts it.

Finally, a New England consulting firm with whom I have done business with lost a significant proposal to a competitor who charged much more for the project in question. When the internal champion called my colleague to explain why his firm lost the business, my colleague exclaimed ‘But you didn’t ask for those additional services and their proposal went way over the budget number that you gave me!’

‘Yes,’ the lost client replied, ‘but we gave it to them because they THOUGHT of offering those things to us without us having to ask.’

That’s a tough lesson, but a good one to share.

The reality is, the most successful companies develop KVP’s based on hidden needs that customers did not come out and ‘request bids for’ or ‘ask for a price quote on.’ They simply get close enough to customers to figure out what they needed that they WEREN’T ASKING FOR, and then gave it to them.

This is one of the exciting things about my work with clients in developing their messaging and their Killer Value Propositions.

The first step is to conduct some very carefully crafted KVP research with customers.

WARNING: *This is very different than simply conducting a survey, interview or doing some telemarketing with customers. This can be a completely unproductive step if not managed correctly.*

Once we do the research and the legwork for clients, we (and they) usually learn that the real reason people bought their services or products is different, and much softer than they originally expected.

The beauty of engaging in this process with clients is that once we discover what the real reasons are, it is very realistic to utilize that information and make a significant impact on dramatically improving marketing and sales results in a very short period of time. In some cases with clients, bottom-line impact can appear in as little as a few weeks.

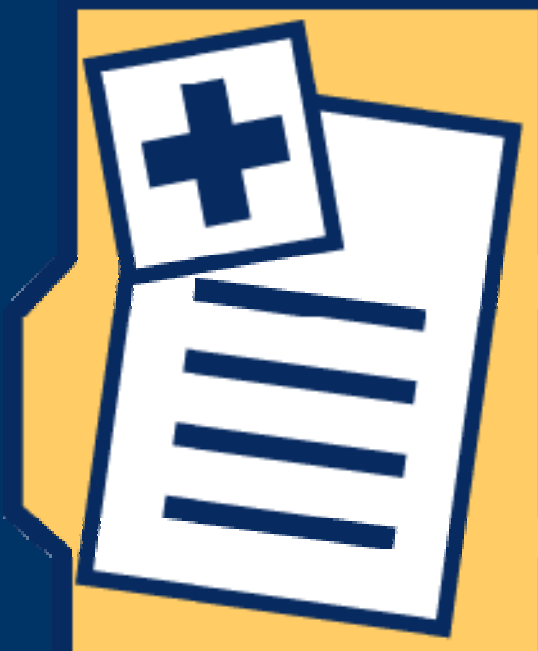
The next step is identifying the assets in the business (which are often hidden to people inside the business because they are too close to the forest to see the trees) that can uniquely meet those needs. For at least a portion of this, you’ll want to engage someone who has a talent for locating opportunity, ideally someone outside the firm or brand new as they can provide unbiased feedback.

Then you build a KVP around the combination of centering on hidden customer needs & harnessing your unique assets.

In many companies, this unique asset is something that involves execution, and is very difficult to replicate. IBM is winning because of it, and your business and product line can too.

DIAGNOSTIC: What hidden strength can you tap like IBM did? Look for something very hard to replicate.

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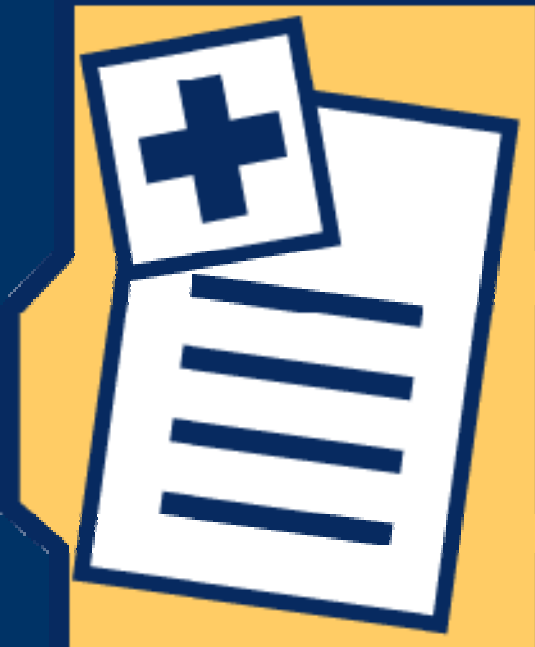
**Sample
Worksheets**

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Pricing

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The logo for Product 180, featuring the word "PRODUCT" in blue and "180" in yellow. To the right of the text is a stylized yellow graphic consisting of a curved line that forms a partial circle, with a small arrowhead pointing to the right.

KVP Pricing – Pre-Release Prices

As of March 2009, we are re-releasing all our KVP Materials (original KVP materials 1st went out in late 2003 / early 2004). These offers are good until March 31, 2009.

KVP Bronze Toolkit + Electronic Worksheets - \$99

- (1) Full KVP Toolkit (physical toolkit) (\$149 value)
- (2) 12 KVP Supplemental Worksheets – Excel (12 worksheets – a \$60 value)

(Total value of \$209)

KVP Toolkit Gold Package - \$129

- (1) Full KVP Toolkit (physical toolkit) (\$149 value)
- (2) Twelve (12) KVP Supplemental Worksheets – Excel (a \$60 value)
- (3) KVP Case Studies (a \$99 value)
- (4) 1 Fast-Start Audio recording (\$49 value)
- (5) Five (5) Bonus Audio Recordings – teleclasses where Steve Rankel teaches on value, value propositions, differentiation and building a value proposition net (a \$60 value)

(Total value of \$408)

KVP Toolkit Platinum Package - \$229

- (1) Full KVP Toolkit (physical toolkit) (\$149 value)
- (2) Twelve (12) KVP Supplemental Worksheets – Excel (a \$60 value)
- (3) KVP Case Studies (a \$99 value)
- (4) 1 Fast-Start Audio recording (\$49 value)
- (5) Five (5) Bonus Audio Recordings – teleclasses where Steve Rankel teaches on value, value propositions, differentiation and building a value proposition net (a \$60 value)
- (1) KVP Jumpstart Certificate – for a 30-minute personal jumpstart sessions with Steve Rankel, creator of the KVP process (a \$145 value)

(A total value of \$562)

KVP Boot Camp - \$995

- (1) Full KVP Toolkit (physical toolkit) (\$149 value)
- (2) KVP Supplemental Worksheets – Excel (\$60 value)
- (3) KVP Case Studies (a \$99 value)
- (4) 1 Fast-Start Audio recording (\$49 value)
- (5) Bonus KVP Jumpstart Certificate – a 30-minute jumpstart sessions with Steve Rankel, creator of the KVP process (\$145 value)
- (6) Five (5) Bonus Audio Recordings – teleclasses where Steve Rankel teaches on value, value propositions, differentiation and building a value proposition net (\$60 value)
- (7) Tele-classes, including full class worksheets – and tips on refining or crafting your Killer Value Proposition (KVP review, comments, messaging & usage input) - (\$399 value)
- (8) Unlimited email access to Steve Rankel during 4-weeks after class (\$199 value)

(A total value of \$1,160)

Virtual-Jumpstart Options

30 minutes, fully recorded (so you don't have to worry about taking notes) - \$145

60 minutes, fully recorded (so you don't have to worry about taking notes) - \$290

KVP Onsite Workshop – \$795 / person (5-person minimum) + airfare

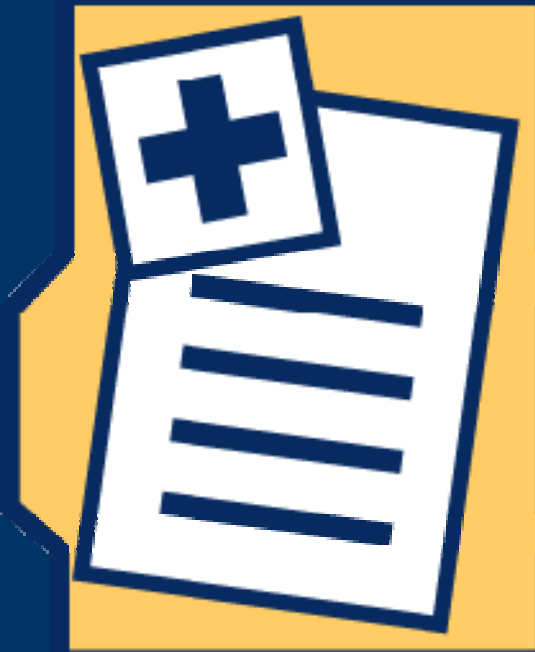
Live, onsite workshops where you & your team are immersed 1st in the principles surrounding creating your KVP. Then, we spend the 2nd half of the day working through you the actual steps of developing a killer value proposition for one of your key products or services. This is especially valuable for products that have never been launched, or those who have been out in the market & could be selling better.

KVP On-Site Jumpstart – ½ Day - \$1,400 + airfare, Full Day - \$2,800 + airfare

- (1) Includes KVP Platinum package
- (2) Pre-meeting document, value prop & materials review
- (3) Value proposition scoring
- (4) Pre-meeting con call
- (5) Post-meeting recommendations
- (6) Unlimited email support for 30 days

(A total value of \$2,160 or \$3,560)

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Today To Get Started On
Giving Your Firm (Or
Yourself!) The Competitive
Advantage You Need!**

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