

The Case for Buyer-Aligned Value Models

Get Serious About Solution Messaging

A Sales Performance International White Paper



The Case for Buyer-Aligned Value Models

The pressure on B-to-B product marketing organizations to increase their strategic relevance and their impact on sales has never been greater. They have to quickly find a way to:

- Create more customer relevant positioning and content
- Do a better job of generating, cultivating, and nurturing leads
- Improve their alignment with sales and deliver tools that enable salespeople to have more meaningful business and value conversations with their customers

These are tall orders, and for a lot of marketing organizations they'll require a fundamental transformation in their thinking as well as their day-to-day behavior.

So, what can marketing executives do to start this transformation?

First... Get Serious About Solution Messaging

For the past few decades, thought leaders like Pragmatic Marketing have been telling product marketing organizations that one of the best ways to increase their strategic impact was to make the transition from product focused messaging that reflects the inside-out perspective of the seller to more problem focused messaging that reflects the outside-in perspective of the buyer.

The good news is that some companies have finally got the memo. As a recent best practices study by CSO Insights showed, companies with marketing organizations that explicitly focus on communicating their understanding of the customer's problems along with how their solutions help the customer solve those problems experience:

- 25% higher quota attainment
- 20% higher win rates
- 5 times less discounting
- 3 times the competitive win rate

So, why haven't more marketing organizations figured out how to create customer relevant messaging that truly supports a solution-centric strategy?

Unfortunately, while some companies have successfully transformed the way their salespeople sell through rigorous sales training programs and buyer-aligned sales processes, most of those companies haven't applied the same kind of strategic focus or transformational emphasis on product marketing.

As a result, few marketing executives or their organizations understand some of the key fundamentals, nuances, and implications of solution messaging. Most give little thought to the underlying value model their organizations use to communicate the purpose, value, and differentiation of their company's products and services, and few have implemented any systematic processes to reinforce solution messaging fundamentals and best practices.

The Strategic Importance of Value Models

Whether you sell a commodity product or a complex business solution, a value model is the foundation for your positioning and messaging strategy because it determines how you communicate the purpose, value, and differentiation of your products and services. Like the product-feature-benefit model (Figure 1), value models provide the taxonomy for collecting, organizing, and sharing the marketing and selling knowledge that drives the three critical marketing deliverables mentioned in the introduction.

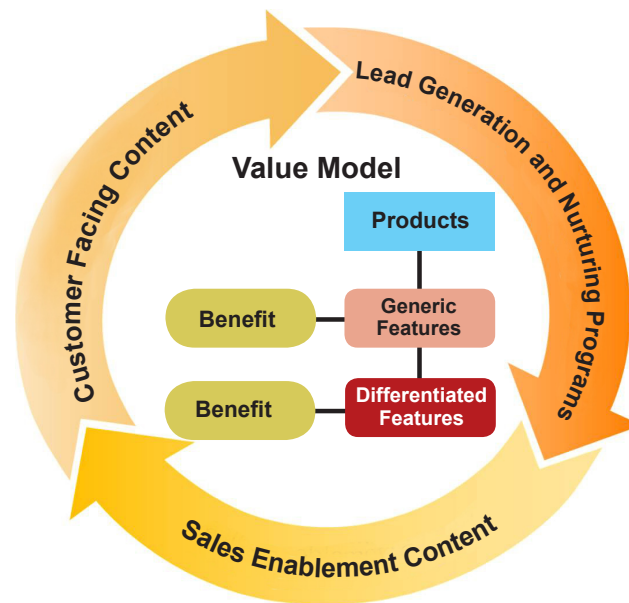
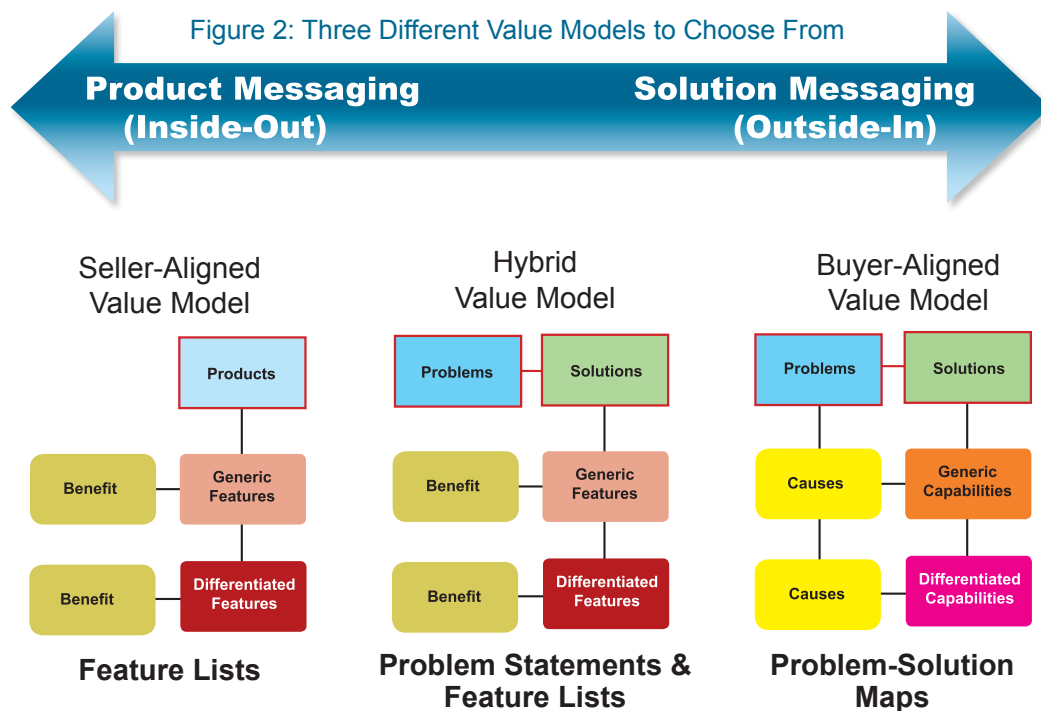


Figure 1: Value Models Drive Three Key Deliverables

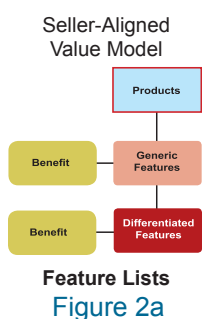
From an operational standpoint, value models are a lot like a sales process in that they provide management with an opportunity to reinforce fundamentals and best practices. They also share three other important similarities with sales processes.

1. They can be formalized and managed or ad hoc. and spontaneous
2. They can be seller-aligned or buyer-aligned depending on their perspective and context:
 - c. Seller-aligned value models reflect the seller's perspective where value, and differentiation are defined from the inside-out, in the context of the product or service
 - d. Buyer-aligned value models reflect the customer's perspective where value, and differentiation are defined from the outside-in, in the context of solving the customer's problem
5. And most importantly, they don't require 100% compliance to have an impact on culture as well as results

Unfortunately, while most sales executives clearly understand the importance of managing their sales process, few marketing executives pay much attention to their value model. In fact, most are unaware that there are actually three different value models (Figure 2) that their organizations can employ, depending on the perspective and context that they want to emphasize.



The Seller-Aligned Value Model

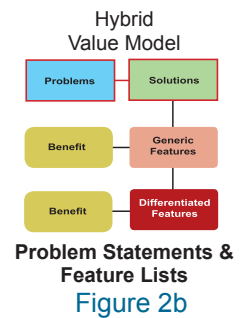


In the **Seller-Aligned Value Model** (Figure 2a), a product’s purpose, value, and differentiation is defined and communicated through product-feature-benefit logic. This is a simple, straightforward, and universally understood model that reflects our natural tendency to think inside-out (i.e. it’s all about me). This is why product messages are easy to create, communicate, and understand, and it’s also why product messaging doesn’t require much management focus or a systematic process ... it just happens organically.

However, when companies want to move from selling products to selling solutions they need to change the way they think about purpose, value, and differentiation. This transition from a seller-aligned to more of a buyer-aligned model does require management focus and attention.

The Hybrid Value Model

An overwhelming majority of marketing organizations adopt the **Hybrid Value Model** (Figure 2b) when they decide to support a solution-centric sales strategy. The hybrid model combines both buyer centric and seller centric perspectives and it supports high level problem-solution messages along with more tactical and explicit feature-function messages.



To accomplish this, product marketing simply adds some form of problem statement or description to their existing feature-benefit list and then calls their product a solution. This is why the hybrid value model is often called “Marketecture”. It’s really just a cosmetic wrapper that’s applied to product centric positioning and messaging.

As mentioned earlier, in the hybrid model, the resulting flow of the message is both buyer centric and seller centric. The buyer centric portion is pretty superficial and goes something like this; “You have a problem, we have a solution.” This customer point of view however, is quickly followed by; “These are its features, here’s how they work, here’s the benefits, and here’s how they’re different from the competition.”

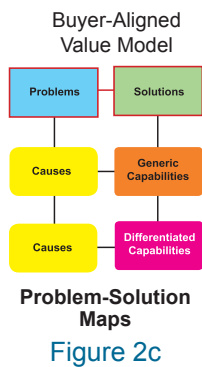
Since the seller centric part of the model focuses on communicating value and differentiation, it’s just like all other product messaging. The customer has to connect the dots between the feature and the problem they’re trying to solve which forces the customer to translate the benefit into value. Since value is always contextual, this lack of context in traditional product messaging is why *benefits* are different and a lot less customer relevant than *value*. More importantly, why would you want to leave that value translation in the hands of the customer?

Marketing organizations adopt the hybrid model because they don’t know any better, it comes naturally, it’s expedient, it doesn’t require much intellectual lifting, and it doesn’t force them out of their feature-benefit comfort zone. Unfortunately, as the symptoms below indicate, overly simplistic and superficial approaches to solution messaging have not been effective, and have had little, if any, impact on sales. They are also why most sales enablement initiatives fail to produce the desired results.

- 73% of CMOs say solution value messages are not reaching customers
- 92% of product marketers have difficulty defining the customer’s problem and it’s causes
- 90% of sales people fumble the business / solution conversation
- 80% to 90% of marketing collateral is considered useless by sales
- 70% of the leads generated by marketing are never followed up on

Sources: *Sales & Marketing Management - American Marketing Association - B-to-B Marketing - Escaping The Black Hole - SPI International - Value Mapping Consortium*

The Buyer-Aligned Value Model



The **Buyer-Aligned Value Model** (Figure 2c) is the only value model that truly supports a solution oriented strategy because it enables high-level problem-solution messages as well as explicit cause-capability messages. Explicitly aligning causes with capabilities is the most effective way to communicate an understanding of the problem as well as your value and differentiation from the customer’s perspective. This is why the buyer-aligned value model has been universally embraced by what are arguably the most solution-aligned organizations in the world ... pharmaceutical companies.

Companies that sell cholesterol reducing drugs for example, focus on educating the market that plaque in the arteries is the key underlying cause of high cholesterol. By explaining the underlying cause before they talk about the solution they build additional credibility. This makes them more believable when they describe how their drug breaks up plaque better than the competition.

The buyer-aligned value model is based on a clearly defined problem-solution map. The problem-solution mapping process requires product marketing to identify the key customer problems their solutions solve. Then they segment those customer problems by market and stakeholder and break each one down into its key underlying causes.

Once the underlying causes of each problem have been defined they are explicitly aligned with one or more capabilities of the company’s solutions. When the map is completed you have two perfectly balanced hierarchies; one for your customer’s problems and one for your solutions. The resulting message flow goes something like this; “You have a problem, we understand that problem as well as its underlying causes, here’s how our capabilities solve those causes, here’s how we solve them better than our competitors, and here’s the value we deliver to your business.”

Well constructed problem-solution maps help marketing and salespeople do a better job of communicating their understanding of the customer’s problem and how their solution can help fix it. And more importantly, by connecting the dots between causes and capabilities marketing and salespeople are able to more clearly communicate two kinds of value from the customer’s perspective:

1. A solution’s “Generic Value”; which is the business impact of solving specific causes in a way that’s similar to the competition
2. And more importantly, a solution’s “Differentiated Value”; which is the business impact of solving specific causes better, cheaper, or faster than the competition

Although they're rarely adopted by marketing organizations, buyer-aligned value models are not a new idea for B-to-B companies. For the last several decades sales performance organizations like SPI have been teaching salespeople to frame their company's value and differentiation using cause-capability conversations. So in effect, salespeople have been taught to use the buyer-aligned model while marketing has been using the hybrid model. No wonder that ineffective messaging continues to be one of the biggest drivers of the marketing-sales disconnect. So, if adopting a buyer-aligned value model will go a long way in closing the gap between marketing and sales and fix a lot of the symptoms mentioned earlier, what's the best way to get started?

It Takes Vision, Leadership, & Process

Like all cultural transformations, the transition from product-aligned thinking and messaging to solution-aligned thinking and messaging requires management vision, leadership, and process. The good news is that just like implementing a buyer-aligned sales process, it's not rocket science, it doesn't create traumatic culture shock, and it doesn't take a lot of time, cost, or effort to get started.

All management needs to do to get the ball rolling is to decide that they're going to get serious about supporting a solution oriented strategy. Then they need to make that decision transparent and insure that everybody understands the differences between the hybrid model and buyer-aligned model.

Once the new direction is announced, the next step is to get their best product managers and marketers to develop preliminary problem-solution maps for each solution. It should only take them a couple of hours to do this, and while it may push some of them outside of their comfort zone a bit, everyone involved will learn a lot about their solution's true value and their organization's ability to actually sell solutions in the process.

Once the problem-solution map is complete the key thought leaders in the sales organization need to validate it. This validation process is important because it gets marketing and sales on the same page when it comes to the messaging strategy, thereby eliminating a key issue in the marketing/sales disconnect.

After sales has validated the problem-solution map, the final step in the transformation process, as shown in Figure 3, is for the marketing organization to make that map the intellectual foundation for all new marketing deliverables.

Make Your Map the Foundation

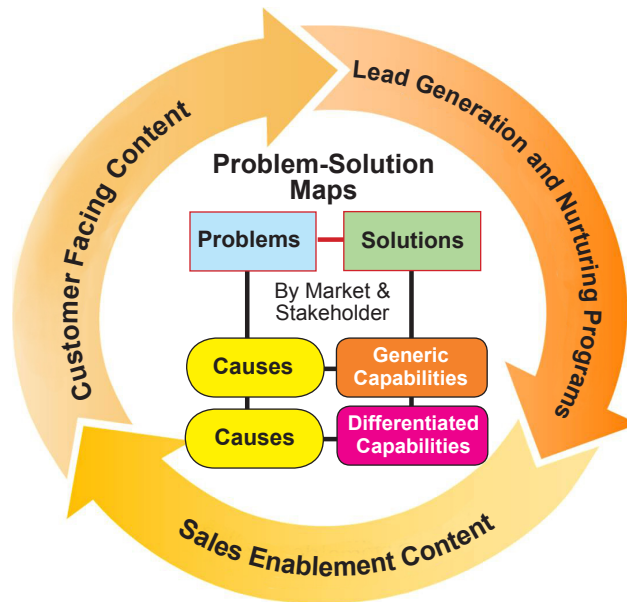


Figure 3: Make Your Map the Foundation

Adopting a buyer-aligned value model and implementing a formal problem-solution mapping process is one of the best things a marketing organization can do to increase its strategic relevance to the enterprise and its impact on sales. It will allow them to:

- Create more relevant and impactful customer facing content that demonstrates that their company truly understands the customer's problem as well as the best way to fix it
- Do a better job of generating, cultivating, and nurturing leads through richer interactions and targeted messages by problem, stakeholder, and market segment
- Improve their alignment with sales and deliver tools that enable salespeople to have more meaningful business and value conversations with their customers so that they accelerate the transition from product sellers to problem solvers to trusted partners

Finally, one of the key collateral benefits of a buyer-aligned value model and a well constructed problem-solution map is that they create an additional filter for evaluating and prioritizing new product development requests. In other words, if something doesn't improve the value and differentiation from your customer's perspective why build it?

Conclusion

Making the transition from products to solutions requires both a marketing and sales transformation, and for a lot of companies, two pieces of the puzzle are already in place. Sales organizations have been trained in how to sell solutions and they've implemented buyer-aligned sales processes. The final piece of the puzzle is a buyer-aligned value model, and only marketing can make that happen.

In the end it comes down to what kind of marketing organization you want to be. For years CEOs have been saying that they want to create a more customer focused culture that provides solutions to customer problems. Marketing organizations now have a unique opportunity to increase their strategic relevance and their impact on sales by becoming the catalyst that finally makes the CEO's vision a reality.

For more information on buyer-centric value models and to learn more about SPI's Solution Selling® Messenger™ visit our web site: www.spisales.com



Sales Performance International

4720 Piedmont Row Drive
Suite 400
Charlotte, NC USA 28210

info@spisales.com
t: +1.704.227.6500

www.solutionselling.com
www.spisales.com
