

# IDENTIFY YOUR VALUE ADDED

PASSION SELLS, ENTHUSIASM is contagious, and knowledge is power. To sell your value added, you must first know your value added. Conviction grows from studying your company's total solution. Your enthusiasm for your value-added solution must ignite and excite the buyer. If you can't get excited about what you sell, how can you expect the buyer to get excited? Study until your head hurts and your bones itch.

Most people I train lack the knowledge and the passion to effectively sell their value added. In most cases, no one has taught them how to view their total solution in value-added terms. Consequently, they are one-dimensional salespeople—they sell product features and benefits. When you sell the product only, you open the door to too many competitors, including the Internet.

This chapter is about expanding the depth and breadth of your knowledge base. I want to help you design and deliver compelling reasons for the customer to buy your value-added solution.

Specifically, this chapter has four functions:

- Define and differentiate quantitative and qualitative value added
- Explore the three dimensions of your value added
- Help you identify your value added
- Offer suggestions for how you can communicate this message to your buyers

## There Are No Commodities in Value-Added Selling!

When I owned a chemical distributorship, six companies in town sold the same industrial chemicals, with no product differentiation. We all sold the same lot number and label. It was like having six vending machines lined up, and buyers would choose which machine to insert their money into. We couldn't say that our products were superior to the competition's products; all we could offer were application suggestions. We had only the value of our company and ourselves to sell. My roots in Value-Added Selling took hold in that sales environment.

The same product, from the same company, from two different salespeople is two different solutions altogether. If you disagree, consider this common scenario: A salesperson enters a territory and sets it on fire. Everyone loves this salesperson—the customers, the inside people, the salesperson's peers, and even the sales manager. This rep is promoted and becomes a branch manager somewhere else. A new rep follows into the territory and destroys it. It's the same product, the same customer base, the same inside support staff, and maybe the same company car. The only thing that has changed is the salesperson.

If I had a dollar for every salesperson who has said, "What we sell is no different from anyone else," I could buy my own corporate jet. This claim of mediocrity by salespeople is one of the poorest excuses I've heard for being noncompetitive in a market. It tells me that the sales rep has not put much effort into defining differences. The most benign interpretation is that management has failed to provide the sales rep with the right information. In either case, we're going to fix that problem in this chapter.

You sell a three-dimensional solution: a product with all its features and benefits, your company with its depth of resources and value-added services, and all of the value added that you personally commit to delivering.

It's imperative for you to study your value added and develop a strong message to communicate to your customer. Once you've gone through the exercises in this chapter, you'll never again say to yourself or to oth-

ers, "What we sell is the same as everyone else." You are unique, and so is your three-dimensional solution.

## What Is Value Added?

I answered this question for you in Chapter 2. Many people find it a difficult concept to grasp. In simple terms, it's everything you do to something from the moment you buy it, handle it, and resell it. Value added is both quantitative and qualitative.

Quantitative value added is easy to sink your teeth into and to get your arms around. It's visible, tangible, observable, measurable, objective, quantifiable, substantive, and performance based. It stands on its own merits. You can attach a dollar value to it and a profit impact on the customer.

It's what you do to the product and for the customer. It's the steak behind the sizzle and the answer to the question, "Where's the beef?" It includes cost containment, increased market share, greater efficiency, and competitive gain. These are easy benefits to sell to your buyer. Your toll-free phone number, fleet of delivery trucks, customer training programs, extended warranty, replacement parts, and twenty-four-hour maintenance have quantifiable gain for the buyer. These quantitative benefits help to sell your solution.

Qualitative value added is more difficult to get your arms around. Compared with quantitative value added, it's more subjective and intangible—not easily measured. It offers more style than substance, perceived and felt but not quite as scientific. Some people call it soft-dollar value added. It makes the buyer feel good about your product, your company, and you. It's more of who you *are* than what you *do*.

Qualitative value added describes your resources. It includes brick-and-mortar issues such as the number of locations and the facilities available to the buyer; the management philosophy of your company; the goodwill you've created with customers; the product's brand name; your company's reputation; your company's depth of resources; the number of years your company has been in business; the mint on the

customer's hotel room pillow; and the warm, moist hand towel in first class on a long flight.

While quantitative value added stands on its own merits, qualitative value added implies a benefit. Qualitative value added produces a warm and fuzzy feeling for buyers. They view qualitative value added as a security blanket or cushion. It enables them to get a good night's sleep. And what's that worth? Customers know it's important, but they may find it difficult to nail down.

## How to Determine Your Company's Value Added

Look at all three dimensions of value: your product, your company, and yourself. First, product value added is what your product does—its impact on the customer. Identify your product value added by considering how your product enhances or improves the following for the customer: profitability, operational efficiency, productivity, performance, quality, safety, ease of use, waste reduction, uptime, durability, consistency, reliability, operating costs, warranty, serviceability, convenience, compliance to specifications, and timeliness.

How does your product add value to your customer's product? Does this product synergy increase competitiveness, attractiveness, and end-user acceptance? How do customers perceive your product: as an investment or an expense? The product dimension of your value-added solution is, at best, one-third the value that the customer receives.

The second dimension of value is company value added. Make a list of the value-added extras your company provides. This is your "Value in Purchasing" list—VIP list, for short. (See Figure 4.1.) This list contains both quantitative and qualitative value added. It includes literature, reputation, industry leadership, facilities, technical support, location, systems, depth and breadth of inventory levels, shipping policies, ordering options, ease of doing business, distribution channels, field support, Internet support, electronic commerce, free delivery, hours of operation, customer loyalty programs, disposal, trade-in policy, and so on. When designing this VIP list, go for quantity initially and then fine-tune it.

## Figure 4.1 Your company's value added

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### Value in Purchasing (VIP) List

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Get input from many people. Brainstorm with your peers and your boss. The employees delivering the value added are closer to the value added than you are, and it's on their minds. Others in your company may also be able to articulate this value added for you.

Finally, the third dimension of value is your performance—what you do for the customer. The easiest way for you to arrive at your value added is to refer to the Value-Added Selling process explained in Chapter 3 and determine how you add value at each step along the path. (See Figure 4.2.)

In the planning (information) phase, for instance, you may add value by conducting an in-depth needs analysis, providing a live demonstra-

**Figure 4.2 How salespeople add value**

Planning Phase	Acquisition Phase	Usage Phase

tion of your product, studying the buyer's needs and brainstorming a solution, locating hard-to-find items for the buyer, and submitting a professional proposal.

In the acquisition (transition) phase, you may add value by assuring smooth, painless, and seamless transitions to your product. Your value-added activities could include confirming order status, expediting, tracking back orders, providing training for employees, following the supply chain, and helping with credits and returns.

In the usage (transformation) phase, you add value by following up to assure maximum performance and economy from your product. This postsale support, coupled with helping customers' businesses grow, will differentiate you from all other salespeople with whom your customers meet. Present this chronology of value added as a flowchart to describe how you will support them from cradle to grave.

## How to Use the VIP List

The primary use of your VIP list is to communicate your total value to the buyer. Once you've detailed all three dimensions of value—prod-

uct value, company value (as in Fig. 4.1), and personal value (as in Fig. 4.2)—combine the information into a master VIP list.

You could turn this compilation into a brochure, a handout on your company letterhead, a website page, a sheet in your proposals, or a collateral literature piece to combat price objections.

One salesperson uses this list as a supplier performance appraisal. Twice a year, he audits his company's performance against the VIP list to ensure that the customer receives all the value on the back end that he promised on the front end.

Another salesperson gives the VIP list to his buyer to use as an internal sales piece to sell others within the buyer's company on the salesperson's value added. He had discovered that his internal champion did a better job of selling for him when armed with a support piece explaining his company's value added.

Managers can use this VIP list as a training tool. One of my clients conducts a VIP exercise every January to ensure that his sales force understands the depth and breadth of his company's value added. He begins with a blank flip chart page, and his salespeople fill that page and several others with examples of their value added during the sales meeting. This is one way to keep his salespeople focused on their total solution. Also, it's a great tool to use with new hires to cut their learning curve for the company's value-added solution and to brace them for handling price resistance.

The only limitation to your using the VIP list is your imagination. There are as many ways to use this list as there are salespeople.

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### **VALUE-ADDED SELLING REVIEW AND ACTION POINTS**

1. To determine your company's value-added solution, consider all three dimensions of value: product features and benefits, company value-added services, and your personal commitments to the buyer.
2. When presenting your value added, include qualitative and quantitative value added. Compose a Value in Purchasing list to demonstrate to the buyer the total value of your solution.