

# What's Your Value Proposition

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Want to improve the relationship between you and your customers? While working on improving the way your customers do business with you, you might consider improving your own value proposition.

Your value proposition is a statement designed to summarize the reason a potential customer should buy your particular product or service. This statement should be powerful enough to convince customers that the value your company

- 1) exceeds that of your competition and;
- 2) is worth the price they must pay.

You want to position yourself so your business is trusted by potential and existing customers, giving them reassurance that what you offer will add more value to their company or help by solving problems.

Typically, a company uses its value proposition to demonstrate to potential customers how its products and/or services will save them money, time, and effort. Although each company is slightly different in the way the value proposition is written, the information should be clear and concise and demonstrate tangible benefits to your target group. Unfortunately, when the focus is misplaced, and no longer aligned with the value proposition, significant profit can be lost.

The best way to create a value proposition for your business is to start by learning about your target market. This study would include learning about the industry itself, as well as the product, service, and even areas of challenge. You are identifying common unmet needs in your target group which you can develop your value proposition around. A strong value proposition will set you apart from competitors, improve your leads and ratio of closes and increase the efficiency of your operations.

A value proposition can also provide current customers with a concise statement that they can use to tell others about your business. In effect it becomes an effective marketing tool which can add impact to your bottom line results.

To begin the process of preparing a value proposition for your own business, start with the question, "What can I provide that other companies cannot?" Your value may not be in the actual product or service, but in how it is delivered to the market. For instance, you could show potential customers how you can help them make money, move a product or service faster and more efficiently, improve overall company operations, increase market share, reduce the number of employee turnovers, or improve customer retention.

Your value proposition should be honest and present achievable goals. The statement is a kind of success story in which you create interest by presenting the tangible results achieved by utilizing your product or service. Finally, and possibly the most challenging part of creating your statement: You should be able to communicate your value proposition in one sentence.

A value proposition is not developed to make money and is not a statement of the service delivered. A strong value proposition is discovered by exploration of the target market and their needs. In short companies that seek to meet needs will be far more successful than those that simply seek opportunities to make money.

A strong value proposition will make you stand out in a crowded marketplace. When you are able to clearly articulate how you are uniquely positioned to solve the pain points of your market, you will rise above all of the other mediocre competitors.

A template for creating a value proposition:

First Sentence:

For (target customer) who (statement of the need or opportunity), the (product/service name) is a (product/service category)

that (statement of benefit).

Second Sentence:

Unlike (primary competitive alternative), our product (statement of primary differentiation).

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