

## **A Value Proposition by Any Other Name...**

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What do you call that all-important phrase, paragraph or one-pager that articulates what you want your business to be – that which you define in order to drive and fulfill your company's business objectives? Companies use various terms, sometimes interchangeably, to describe these strategic documents – strategic propositions, positioning statements, brand propositions, brand statements, to name a few. While most companies tend to gravitate towards one or another and use it consistently within their organization, going across companies you will find what is one person's value proposition is another's positioning statement. Within a business, you may find that these terms are used distinctly to articulate the strategic intent at multiple levels, from the overall business all the way down to tactical executions like print ads or email campaigns.

I put forth Value Propositions as the superset, under which the rest fall. The word "value" serves as a constant reminder that you should be primarily focused on bringing value to your customers. The word "proposition" further conveys the understanding that your business or brand is "offering" or "putting forth" this value in the marketplace, again focusing on the customer perspective. Given this combination, any qualifying word can be added in front of the term to clarify the specific type of Value Proposition. For example, Business Value Propositions are Value Propositions that describe the differentiated value a particular business intends to provide in the marketplace. Brand Value Propositions are simply Business Value Propositions for a deliberately branded business – not just a business with a name, but where a strategic plan is in place and an appropriate budget is set aside to bring meaning to the brand.

With the primary emphasis on value, you should also ensure the value you offer is differentiated from that of the other providers in the marketplace – those who would also appear to satisfy the same need. The term "positioning statements", which some use interchangeably with Value Propositions, tends to put the focus primarily on differentiation from competitors. But should not the focus be placed on the customer first and foremost, and how he/she feels you are different from competitors? If you are different, but not in a way that provides value to the customer, then who cares? Moreover, positioning is often used to refer to how your business compares to that of your competitors on specific characteristics, some of which may or may not be a part of your Value Proposition. A perceptual map is a common way to depict positioning. It portrays how buyers perceive different companies on 2 or 3 characteristics. The perception may be that your business is actually on par with your competitors for certain characteristics, which is fine as long as they are not those which appear in your Value Proposition. So while using a derivation of the term "position" tends to fall short of conveying the importance of focusing on the value you bring to the marketplace, it is also too broad to convey a description that highlights only those characteristics upon which your business Value Proposition is built. Therefore, the term Value Propositions is preferred in lieu of positioning statements.

Within a company Value Propositions may exist at multiple levels. There are two types of architectural structures that should be addressed in this situation. The first type of architecture addresses the situation where there are multiple businesses within an organization, each having an associated Value Proposition. These Business or Brand Value propositions should be developed within a synergistic architecture across the company. You may have one at the corporate level and then at subsequent category levels. These categories will vary based on your business model. In some instances you may have brands and sub-brands. In other instances you may have a more horizontal relationship of sister or complementary brands. You may also have multiple related product lines within a business. Regardless of the relationship, these various Business or Brand Value Propositions speak specifically to how an organization deliberately decides they want each business to be represented in the marketplace. The architecture helps depict the role of each Value Proposition and the different types of relationships among them. The manner in which you develop and execute upon Value Propositions should take the position within the architecture into consideration.

The second type of Value Proposition architectural structure does not pertain to different businesses within an organization, but rather to help execute the strategic intent within a particular business. The Business or Brand Value Proposition describes the strategic intent of the business itself. Mezzanine Consulting LLC™ introduces the term “Operational Value Propositions” which are versions of the Business or Brand Value Proposition, tailored to help implement the strategic intent of the business within an organization. For example Operational Value Propositions may be specifically created for various functional areas within an organization, or they could be developed for specific countries executing a global Value Proposition. The next level down in this architecture is what Mezzanine Consulting LLC calls “Tactical Value Propositions.” These are meant to inform an individual or group of tactics, to ensure they reflect and properly execute the strategic intent. For example, when developing a print ad with a creative group, whether internal or external, it behooves you to have a Tactical Value Proposition that highlights and elaborates on those specific aspects of the overarching Value Proposition that you intend to convey through that particular marketing vehicle. You may also use Tactical Value Propositions to bring the value to a client-specific level when developing responses to requests for proposals (RFPs) and other client-ready presentations. Given these examples of how Tactical Value Propositions are used, it is not surprising that they often define a more narrow audience than what the business as a whole may be targeting. But that is just one aspect to keep in mind when working with this type of architecture. So while the architectural chain of Business/Brand Value Propositions to Operational Value Propositions to Tactical Value Propositions requires a more robust approach, the fact that it takes the strategic intent of a business and enables implementation by multiple areas within an organization as well as execution through various tactics makes it well worth it.

Overall, while it may seem somewhat superfluous to debate the name used to describe them, a name can have a direct influence on the crux of these strategic documents and the perspectives that are applied. The term “Value Propositions” not only ensures the

essential focus on the customer, it serves as a good superset that covers numerous types within.

Once the concept of the value proposition is solidified, only then can you discuss the implications and necessary considerations that must be taken into account when working with multiple Value Propositions within and across the businesses within an organization that together make up the Value Proposition Architecture of a company. So now that the terminology has been clarified, next comes the hard part – creating and implementing high performance Value Propositions to drive your company's objectives.

