

What's Your Value Proposition?



BY GARRETT J. SULLIVAN

Now that we've begun a new year, why not take a look at what you're promising your

potential customers? What does your website or brochure say?

- We exceed client expectations.
- We provide a quality experience.
- We have been in business since 1977.
- Lowest price—guaranteed!
- We offer a full range of construction services.

While any of these value propositions may be true, they're simply not unique. They sound just like your competition. As your potential customers shop around, they find that everyone sounds like a broken record without really saying anything.

A value proposition, by definition, is a compelling statement that summarizes why a consumer should buy your product or service. This statement should persuade a potential consumer that you understand their needs and are unique among your competitors.

A company creates value propositions to allow prospective customers to visualize exactly what value you would bring to their organization.

The ideal value proposition is concise and appeals to the customer's strongest decision-making drivers.

In today's digital world, potential buyers spend very little time reviewing potential contractors for inclusion on their bid list. On the average web page, users have time to read at most 20 percent of the words during an average visit. As such, it is imperative that you define your

selling strengths, differentiators and relevant competitive advantages. It's helpful to use numbers, wherever necessary, to demonstrate your completion or satisfaction rate.

Oftentimes contractors will make statements such as: "We have completed the job on time and on budget for the last 10 years." These types of statements are standard expectations of a buyer. You must establish features that set you apart from your competition. These differentiators often will result in how you sell your company versus the actual service you provide to the client.

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Where do you begin? Talk to your senior management and key customers to define your competitive advantage from three perspectives: your perspective, your employees' perspective and your customers' perspective. What does each of these viewpoints say about your unique skill set?

How do you target your customers so they will always buy from you and not the competition when they cannot see, smell or taste the service you are providing? The answer is that you sell on value and not price.

Take the time to review (or develop, if you have not already done so) your marketing plan. Be sure you complete a Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis. Clearly you have strengths—however, many companies have a

bias in the other areas. From here you can list your competitive advantages, which should be composed in the below manner:

- Objective, not subjective
- Not claimed by your competition
- True and easily documented
- Quantifiable, not arbitrary
- Not a given or a cliché
- Relevant to the client

What makes an excellent value proposal? Here are some quantitative examples that contractors can consider:

- Since 1993, XYZ Construction has completed 97.5 percent of contracts without an owner-generated punch list.
- In XYZ's post-job surveys, 94.3 percent of customers reported being extremely satisfied and 99.2 percent stated they were satisfied with our overall performance.
- Once a client relationship is established and the first project is completed, XYZ Construction has a 96.3 percent retention rate for future invitations to bid.
- The average client business relationship for XYZ and its entire client base is 7.3 years.
- During the past four years, our clients have shaved off an average of 7 percent of the construction costs due to our lean construction implemented ideas.

When you begin to promote your relevant objective competitive advantages to the client, you are presenting a greater value proposition, which minimizes price as an issue and provides a greater reason to choose you over your competition. **BI**

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