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# How to create your value proposition for unparalleled competitive advantage.

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A step-by-step guide for early stage entrepreneurs to uncover and express their unique value to create customer preference and loyalty for your products and services.

Quantum Leap Business Transformation  
Course Workbook

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## Quantum Leap Business Transformation Training Course Workbook

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# Introduction

In every business category today, more businesses are being commoditized by the sheer abundance of choices customers have. This is true if your business sells products or provides services. This is true for businesses large and small.

Customers have abundant choice. It's customers who decide who leads and who follows. When customers have abundant choice, the competition is always fierce.

In every product or service category they are always multiple players. Those business leaders who dominate their market always represent a single "idea of value" in the minds of their customers and clients that's simply not available from the alternatives in the category.

Here are some fundamental questions that will require you answer with clarity of vision and confidence in your actions if you are to create "competitive advantage" to your business from the value you bring to the marketplace:

- How do you differentiate your business in ways that matter to your customers?
- Do you command premium prices and greater profit margins when everyone else is fighting to break even?
- How do you gain radical advantage over your would-be competitors in an ultra-competitive marketplace?

In this educational training, you'll learn the basic components that comprise a compelling "value proposition" to the marketplace, and be guided you through a strategic process designed to help you have more **clarity and confidence to uncover your unique value** in ways that will create customer preference for your offerings as opposed to your competitors.

**Our objective in this training will be to elevate the perception of your value to your ideal customers and clients in ways that matter to them and clearly distinguish your business from the slush pile of competitors.**

This workbook has been designed to document your strategic and creative thinking and will form the structure for crafting your value proposition statement.

At the conclusion of this training, you will have a **value proposition framework and positioning statement** that forms the **true north** of your business enterprise—guiding the products and services you will create and every action, communication and behavior of your enterprise in the marketplace.

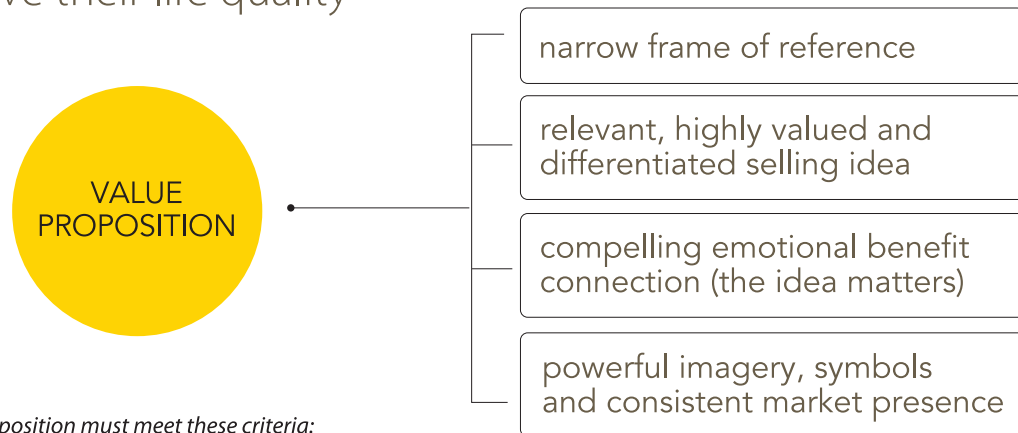
# The criteria for creating a compelling value proposition.

Your value proposition must answer the customer question:

## Why should I do business with you versus a competitor or not do anything at all?

To get at that answer, you need to uncover the real value you provide-do you help customers by solving an affliction (pain) or helping them reach an aspiration (dream)? Both are highly desired outcomes customers demand. Does your product or service help customers to:

- increase revenue
- decrease costs
- increase profitability
- respond better to the needs of your client's customers
- respond better to new opportunities or threats
- improve their health and well being
- enjoy their leisure time
- improve their life quality



Your value proposition must meet these criteria:

- *Must be simple, motivating with unquestioned relevance to the target segment*
- *Must be distinctive and differentiated from competitors*
- *Must provide a unique selling idea that is ownable, credible, sustainable and extendable.*
- *Must be expressed in a simple statement that guides your organization's communications and behavior in the marketplace.*

# The 6 pillars of your value proposition.

Creating cathedrals in the mind of customers and clients!

Your value proposition is not about what you do or the products you sell. Your value proposition must **promise a highly valued outcome** the customer desires. Think of your value proposition as a “cathedral in the mind” rather than a description of your products or services.

Customers care about **their desires and outcomes** far more than the functions of your products and the detail of your services. It is of critical importance for you to understand this distinction. **Your value proposition is more about cathedrals (outcomes) rather than bricks (your products and services).**

To build a beautiful cathedral in the mind, you must focus on uncovering ideas and insights on what clients and customers care about most. Product features, claims of expertise and quality delivery are table stakes. Not enough to distinguish the real “value” of your business to customers. When there is abundant supply, **customers need something more than product claims** to make purchase decisions, and more importantly, become loyal advocates of your business over time.

The target customer

The customer need or business problem

The value of your solution

Your products and services

The reasons to believe

Your point of difference

# The 6 pillars of your value proposition.

## Creating a beautiful cathedral in the mind!

These six pillars form the DNA of your value proposition statement. Once you have clarity on these six pillars, you'll be able to clearly articulate your value and distinguish your business.

### The target customer

You must identify the attributes that define the ideal customer segment your business serves. What attributes comprise your ideal client or customer? What are the specific factors that determine your ideal clients? It could be any number of attributes like: industry, location, size, attitudes, motivations and demographic descriptions. You must define those people who closely represent your most fervent customers and clients. Defining these attributes will allow a prospective client on the receiving end of your marketing and sales conversations to determine your relevance to their desire. You want them thinking "check, they solve problems for companies like ours or people like me".

### The customer need or business problem

You need to consider the specific ways your products or services fulfill customer needs. Customer needs are often unspoken. For example, customers weren't expressing a need for Apple's iPhone. However once realized, customer's couldn't live without it. What needs do you fulfill that are unrealized by your customers, and once revealed to them, will have them standing in line outside your door? If your business is professional services, what highly valued business problems do you solve for your ideal clients? Knowing how you help your ideal clients understand the context that enhances your relevance to their needs is a critical element in creating a value proposition that enhances your competitive advantage.

### The value of your solution—not the cost.

What are the functional and emotional benefits customers receive from your products? What is the business value of your solution to your clients? You must always provide more "use value" in the mind of your customer than they pay you in cash value. This will make your price irrelevant and enable your business to command premium prices. This will help your customers and clients realize WHY they should fulfill their need or solution by purchasing products and services from you.

# The 6 pillars of your value proposition.

## Your products and services

Notice that your products or services are not the first order of importance here. Your offerings do not lead your value proposition. We are taking a customer-centric approach and framing your offerings within the context of the needs you help your customers fulfill, or the solutions you provide that improve the client's condition. It's about providing outcomes (experiences) customers love! Are your products highly valued? Do customers have abundant choice in suppliers? Think about your product and services from the customer's point of view.

## The reasons to believe

How do you substantiate your claims? How do you deliver what you promise? How have you demonstrated your products and services work for customers and clients? You must prove your value by providing compelling reasons to believe. You can use stories, case studies, testimonials and any number of methods to provide proof your offerings deliver on the value promised.

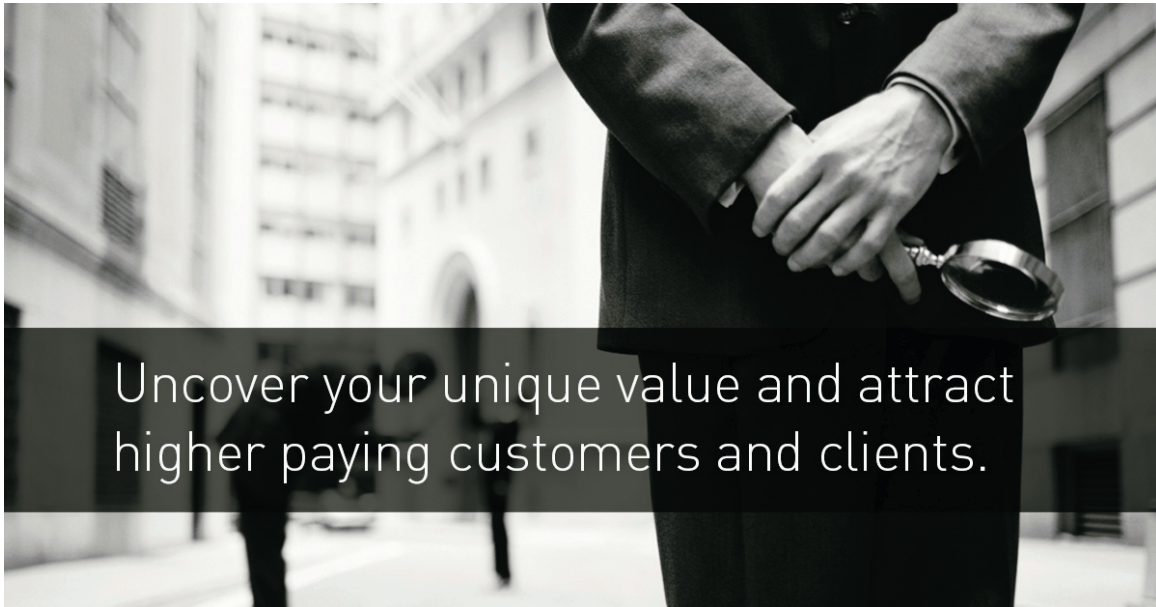
## Your point of difference

Why are your products preferable to other alternatives available? You must have a compelling, emotional benefit that is highly valued in the minds of customers and clients and difficult for your competitors to match. It's not enough to be different for difference sake. Your difference must also be highly valued!

Before you begin to get creative with expressing your value as a statement, it's imperative to step back and ground your thinking in some basic exploratory market research. Remember facts are on the surface.

What you need to focus on are deeper insights that will help you uncover your value. In my experience, most entrepreneurs under-value themselves!

# Exercise I: Uncover your value.



Uncover your unique value and attract higher paying customers and clients.

The purpose of this exploratory exercise has two important outcomes. First, it's necessary for you to gain real insight into what's happening now in your business. Secondly, it's critical to gain insight on the collection of reasons why customers buy from you. Both of these insights are critical for you to take appropriate actions based on internal and external audits of your current business circumstances.

You may find this exploratory research more valuable working with others in your company who have a real stake in the success of the business. It's best when the idea pool is deep and your commitment to uncover new insights rigorous. It's critical to get outside of your own head. However you gain the necessary insight from your exploratory research, it must be rigorous! Don't make assumptions!

*What's happening now in your business?*

*Identify key drivers of your success, and the friction that may be holding you back.*

*What could happen? Identify new opportunities and the threats not in your direct control.*

INTERNAL ASSESSMENT

EXTERNAL ASSESSMENT

*Conduct exploratory interviews with your best customers and clients.*

*What are the reasons they purchased your products or engaged your services?*

*How do they feel about the quality of your products and services?*







# Exercise I: Uncover your value.



## Conduct Client/Customer Interviews

Conduct interviews with key customer accounts or customers that represent your ideal. Uncover the true value customers receive from doing business with you. Conduct this research directly or through online surveys. Use whatever method (informal or formal) will provide you with actionable insight on why your best customers do business with you. What words do current customers use to describe your value to them? Start with customer needs and list the reasons customers tell you why they buy from you. Remember to think in terms of highly valued outcomes or “cathedrals in the mind” rather than the functions and features of your products or services. Ask questions like these:

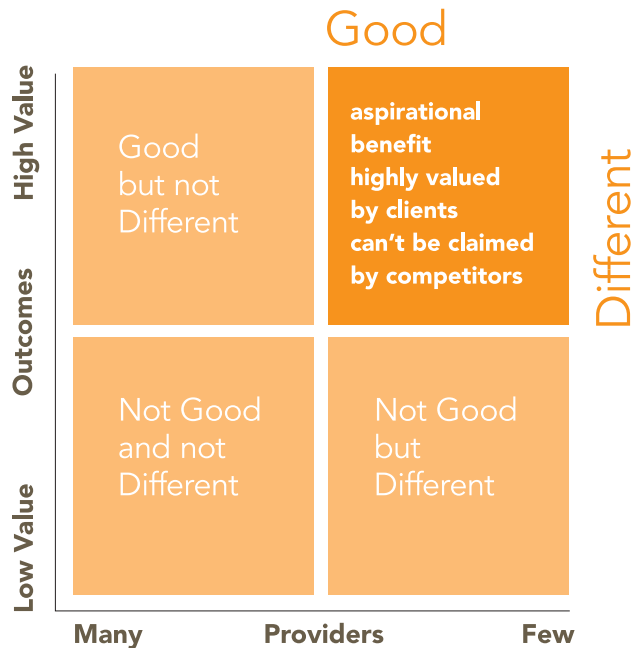
What made our products distinct when you decided to buy from us?

What factors were influential in your decision to hire us or buy our products?

What benefits have you gained by using our products and services?

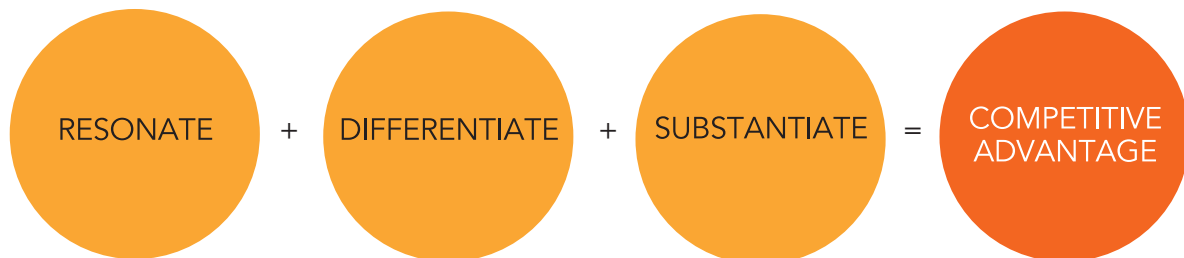
How would you describe our company, products and services to a friend or colleague?

# Exercise II: Identify the core elements underlying your value to customers.



Your business can only gain competitive advantage when your value proposition is “good and different” in the minds of customers and clients. In other words, you must provide an outcome that is highly valued by the target customer and the customer believes there a few providers in your industry, category or niche who can deliver on this highly valued outcome.

Of course in every niche there are always multiple competitors.. In every category there are the leaders who provide value in forms that command premium prices and all the rest will compete on price. Which position do you want your business to occupy in the minds of your clients and customers? There are three components that form the foundation of competitive advantage:



# Exercise II: Identify the core elements underlying your value to customers.



## 1. *Relevance / Resonance*

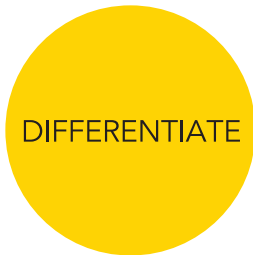
Does the market want what you offer? Are they willing to exchange money for your offerings? What messages or hot buttons resonate best with target customers in your market? Write down your assumptions about how your offerings are relevant (needed) by your customers, and how your offerings resonate (appeal and align) with the solution your customers desire to satisfy to fulfill their needs.

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## 2. *Differentiation*

Do your customers perceive your value as highly focused and specialized? How easy can customers replace or substitute your offerings? Are you trying to be all things to all people or one thing to some people? You must be perceived as distinctive and separate from your competitors. What are the distinctions that make your offerings “good and different”?

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## 3. *Substantiate*

What are the objective and quantified elements in your story that provides the “reason to believe” your claims of value. How can you demonstrate (prove) your knowledge, expertise or product benefits? What stories can you tell? What case studies can you share in your sales conversations?

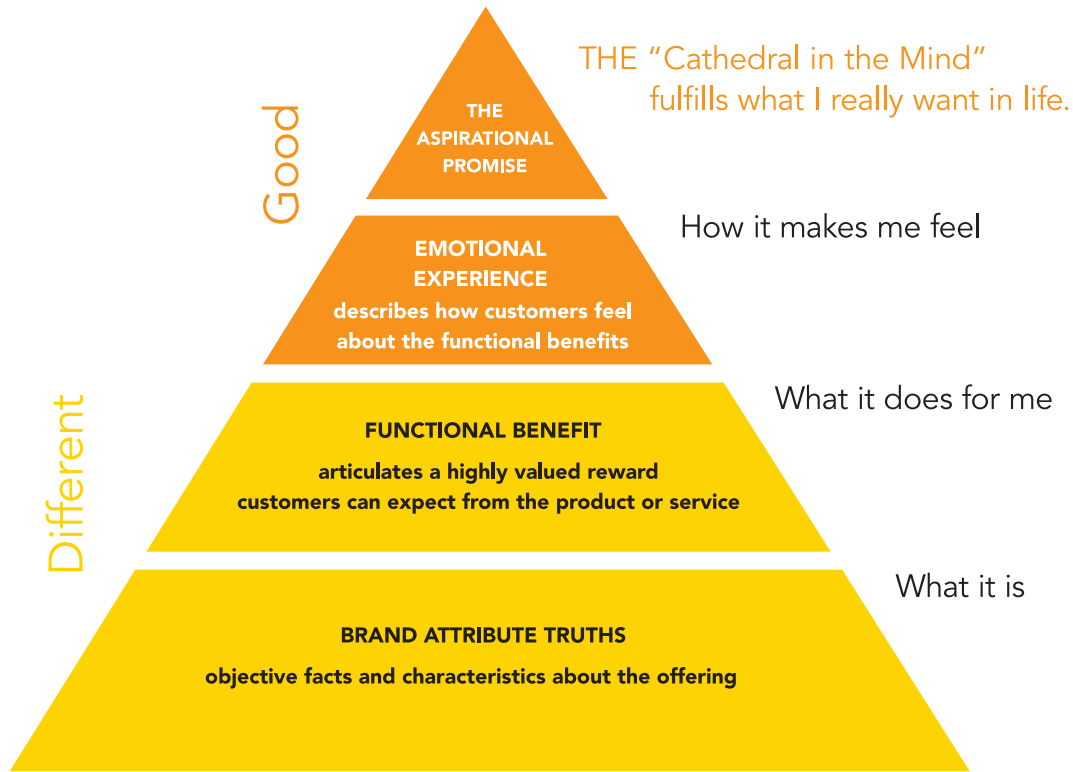
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# Exercise III: Building the essence of why your offerings matters to customers.



## The Customer Benefit Hierarchy

Take a moment to study this illustration. It's called the "customer benefit hierarchy" and it is an important tool to assist you in gaining clarity on the "essence" of why your business will matter (resonate, differentiate and substantiate) to your target customers.

At the top of the pyramid is the "aspirational promise or self-expressive benefit" customers are seeking. It's the "one thing" they can't get from anybody but you. It's the one thing of value you share with customers. Beyond your products and services, this is what customers desire above all other considerations. You must know with confidence what this is and make sure you are providing it in every area of your business!

Appealing to the target customer's highest self-expressive need (what's in it for me) is the key driver of a compelling, unique and believable value proposition that will guide your culture, product development, marketing, communications and behavior in the marketplace.

**Make a list for each segment of the hierarchy. Get to the "one thing that matters" to your customers and clients.**

# Exercise IV: Identify the elements that comprise your value proposition statement.

Document your insights from the research you completed in the first exercise. Detail the elements that comprise your value to customers and clients.

TARGET  
CUSTOMER

Who are your ideal customers? Describe them. Be specific as possible in terms of industry, size, function, attitudes, motivations, desires. What are the demographics, lifestyle insights and the cultural references and ecosystems where they are to be found.

CUSTOMER  
NEED  
SATISFIED

How does your business help customers receive, fulfil and satisfy their desired outcomes? Refer back to your conversations with your best clients and customers.

# Exercise IV: Identify the elements that comprise your value proposition statement.



What is the business value clients receive from your services, or the emotional benefits customers receive from your products? Refer back to the specific words you heard your best customers say during your interview. Use their words—future customers are more likely to resonate with their description.

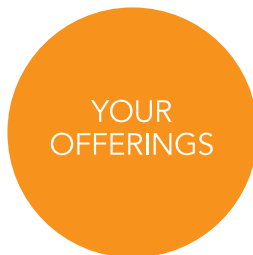
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List your core products, capabilities and services. What you do better than anybody else. Be brief—this is less important than you think it would be. How are your offerings distinct from competitors?

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# Exercise IV: Identify the elements that comprise your value proposition statement.



What is the proof that demonstrates your product claims , or your claims of expertise. What stories can you tell that prove you deliver what you promise to your customers and clients.

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What is the one thing your customers highly value that you provide and is difficult for your competitors to match. What makes your offer “good and different”? Remember it’s not necessary to be originally different, but you must be distinct from competitors. Refer back to the words your clients said about this in your research.

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Now let’s put it all together through the framework of a compelling value proposition statement!

# Exercise V: Building your “oneliness” value proposition statement.

**YOUR COMPANY** is the ONLY description of your business/category

THAT your unique selling idea that is different, ownable, credible and sustainable

FOR ideal target customer / client

WHO WANT aspirational highly desired outcome / emotional benefit

IN AN ERA OF marketplace trend driving customer need and your relevance

Take a moment to study the elements in the above statement diagram. This is the model for bringing all the aspects of your work together in a clear and concise statement. This statement is not a “customer facing” statement you’ll memorize and recite at networking events or put on your website. It’s a strategic framework to guide all your decisions about your business going forward—from the products you innovate, to the manner in which you and your employees serve customers. Let’s break it down...

## YOUR ONELINESS

As you can see, the statement begins with a proclamation that your business, product, brand is the ONLY one in its category / niche that provides...

## A UNIQUE SELLING IDEA

This describes your highly valued selling idea that is different from the alternatives.

## FOR A SPECIFIC CUSTOMER

You must focus on your target market—those people who are the most fervent buyers / users of your product or service who want...

## A HIGHLY VALUED OUTCOME

This is the “one-thing” customers most desire beyond features, function and service deliverables. It’s the customer’s highest aspiration ( the cathedral in the mind)—relief of their pain or the realization of their dreams...

## IN AN ERA OF

Your value must be out front of a trend in the marketplace that enables your proposition to have unquestioned relevance to the target customer. Think of this as the “parade” your product and services are leading.

# Exercise V: Building your “oneliness” value proposition statement.



## EXAMPLE:

IN AN ERA OF healthier food and beverage choices.  
ONLY KeVita sparkling probiotic drinks,  
SUPPORTS digestive health and well-being  
FOR health conscious adults  
WHO WANT vitality to be at their best throughout the day.  
BECAUSE it contains a proprietary kefir culture with billions  
of live probiotics.

## CUSTOMER FACING TRUE LINE:

KeVita is the only sparkling probiotic drink that supports  
your digestive health and well-being so you have vitality  
to be your best throughout the day.

MARKETING TAG LINE: “Alive like you.”



Work with me.

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The White Hot Center offers a variety of strategic and creative consulting formats specifically for Founders and their management teams in startup and emerging growth companies. My consulting programs enhance effectiveness in professional development, strategic vision, leadership, value creation so you have more clarity and confidence to create a bigger future with more impact, influence and income.

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