

# **Business Value Mapping:**

## **Why Your Prospects and Salespeople Don't Understand Your Product's Value – *and What You Can Do About it!***

Sales Process Improvement Series  
Volume 1, Version 2.1

by

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## **Dedication**

To Leslie, who's unwavering support and commitment has always enabled me to pursue my quest.



**Volume 1, Version 2.1: Business Value Mapping:  
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## Introduction to Volume 1, V2.0

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This is the first of three volumes in the *Sales Process Improvement Series*, which documents effective approaches to improving sales results. These approaches apply principles and practices of process improvement and quality management to sales and marketing. This volume—*Mapping Business Value to Boost Sales and Marketing Results*—shows how to identify and articulate the value to the customer (the fundamental problem of selling). The volume also shows how to formulate the propositions that drive the sales and marketing process.

### **Part One: The fundamental problem of selling**

Most businesses struggle with finding enough customers at one time or another. What they do not realize is that the reason for much of that struggle is simple: ignorance of what is important to the customer. Take a look around you, on billboards, in magazines, even on television. You'll probably see the ads of dozens of companies touting themselves and how great they are:

- Joe Rizza Ford! We're number one!
- South County Real Estate Outsell Them All
- Paramount Consulting: Capabilities Second to None

Of course this problem is also found throughout the selling profession. For example, The other day I got the following voice mail from a young lady who—well, wanted to sell me something. (I've changed the names to protect the guilty.)

Hello Mr. Webb, this is Donna Davis, senior sales associate from Narwhale Software. I'd like to tell you about our software and its capabilities and how it integrates with CRM applications. We've worked with companies like Sandler Sales and Miller Heiman. I'd like to tell you

about who we are and about our exciting new products. When you get a chance, please call me at . . .

Usually, the salesperson is only partly to blame for this kind of ineffective selling. Ignorance of what is important to customers and how to attract them is the root cause of many kinds of dysfunctions in companies. Symptoms of this dysfunction include marketing campaigns that don't help salespeople sell, collateral material that customers don't read and lead-generation programs that leave salespeople desperately prospecting for enough opportunities to make their quotas.

Concern for ourselves is an axiom of human nature. In and of itself, there is nothing wrong with this fundamental selfishness. We literally could not exist if we weren't engineered to be self actualizing, self sustaining creatures. Inherent selfishness is just a fact of reality that must be reckoned with if we are to be successful in dealing with other people. After all, success and failure are simply a matter of how well or how poorly we deal with the facts.

Hundreds of years ago early traveling in the open sea was treacherous because there was no way to judge distance without sight of land because there was no way to accurately measure the passage of time on a ship rocking with the waves. When clocks impervious to the motion of sailing vessels were invented (they used mainsprings), it caused a revolution in navigation. For the first time it was possible to determine the actual distances traveled at sea, beyond the sight of land. Reliability of maps improved, and safe passage was more assured.

Likewise, in today's commerce, buyers and sellers must traverse vast gulfs of knowledge. Simple products and services do not require complex efforts to buy or sell. However, complex products and services may require huge sums of money, impact many different departments (and people) within a company, or involve deeply intricate technologies. Making these kinds of decisions requires long and complex chains of reasoning, requiring extended interactions and discussions between people inside and outside a company.

How are we to help prospects travel those long distances? How can we get them to see that the investment of time and effort is worth it? Even more important, how can we ensure that after we have made those investments in educating them, that they arrive at our shores, instead of the competitor's?

Often, companies need to generate higher margins through subtle and sophisticated means, requiring the seller and the buyer to have keen insight to each other's business. This is where companies lose their way. These more complex selling processes are notorious for being more costly, and less reliable. Not all salespeople can execute them, and companies become dependent on the relatively few individuals who can.

What is needed is an instrument to help companies to navigate these longer more complex selling processes. It should enable the seller and the buyer to continually check direction to verify they are moving toward their goals. It should enable them to lay out a map of theirs and the customer's world so other salespeople can learn the terrain quickly and efficiently.

That technique is Business Value Mapping.

### ***What is Business Value Mapping?***

This book rests on the premise that an analysis of any sales process must consider the value derived by the customer. This value is critical with respect to the impact of the seller's products and services, of course, but it is also critical to customers' cooperation in the selling process (gaining their attention and participation).

Business Value Mapping enables you to identify the value derived by the customer accurately, not just for the customer organization, but for the departments and individuals within that organization. In addition, Business Value Mapping:

- *Provides a structured approach* to analyzing the customer’s business. This enables you to “peel the onion” and identify the objectives, strategies and issues within and between various departments.
- *Generates language* focused on the customer’s situation and problems. This reduces everyone’s dependence on the product jargon and “hallway chatter” that can distort a company’s perceptions and cut it off from its customers.
- *Defines the value* that you create for customers, by illustrating the linkages between your products and services and the customer’s business objectives and problems
- *Generates a template* to guide product development, marketing, and customer service in their efforts to support salespeople
- *Enables you to translate generic practices and tools*, for example, from sales training companies and CRM vendors, into specific value statements and approaches tailored to your needs and those of your customers.

Value maps help marketing people create more credible and compelling positioning strategies and sales messages and help salespeople identify and meet customers’ needs.

### ***Purpose and Structure of this Book***

The purpose of this guide is to prepare you and your colleagues to develop and lead a Business Value Mapping initiative in your company, and to garner the above-mentioned benefits of value mapping. Toward that end,

**Part One** of this book gives you background information on Business Value Mapping. **Part Two** presents brief success stories of value mapping in a few different companies.

**Part Three** explains the value mapping process and provides value map templates.

**Part Four** shows you how to conduct a value mapping initiative at your company. This part of the book gives you a step-by-step approach for leading your team through a Business Value Mapping session.

**The appendix** gives you sample Business Value Maps from companies in a variety of industries.

### ***Who Should Read this Book***

This specific volume is ideal for:

- Sales or marketing managers who want to create among their people a shared understanding of customer needs and of how to uncover those needs
- Marketing managers and professionals who need to work closely with salespeople on a new product launch, marketing strategy, or other initiative
- Sales training professionals who want to tailor generic sales tactics to the needs of people in a specific sales environment
- Quality improvement professionals who want to broaden their focus from customer satisfaction to customer value and who need ways to define that value.

### ***Why Business Value Mapping?***

In my sales career, I often found myself selling a product when I didn't fully understand why customers would buy it, how they would use it, and what value they would, and would not, derive from it. Those above me in the organization often told me that I didn't need to understand all of those details in order to sell it. In some cases, they even told me

that I *shouldn't* focus too much on them because that might hamper my efforts to sell it. “Don’t confuse selling with installing,” one manager said to me.

Puzzling as this was, I accepted it and did my best. That lack of knowledge was a handicap but, like most salespeople faced with a difficult situation or environment, I plowed ahead until I could figure things out. Ultimately, I came to several realizations:

- To make buying decisions, customers wanted—and needed—to know about the impact that my product or service would have on their business. Often they were trying to figure it out for themselves; sometimes they would ask me. Yet I wasn’t prepared to discuss that impact. How was I supposed to answer their questions?
- The company’s brochures gave us did little, if anything, to move the sale along. Customers rarely read them because they contained nothing that was relevant to their business. What were the people who wrote those brochures basing their sales copy on? How were the managers who were funding the collateral calculating the ROI? Answer: they weren’t.
- The sales training I received focused on the features and benefits of our products. But the benefits were those that *our company* thought were important. Most prospects found those benefits vague or irrelevant and generally less than compelling. Why didn’t we look at what we were selling the way customers would?
- Prospects that I called on from our pool of leads varied wildly in their need for our products, their ability to use them in their existing operations, and their willingness to pay for them. I came to believe that our prospects were chosen using the broadest possible industry and financial criteria—or, on some days, chosen

at random. They were NOT selected so as to maximize sales results!

- There was far too much trial-and-error and wild-goose chasing involved in discovering what customers valued about our products. This made for an unnecessarily long and steep learning curve and, collectively, thousands of wasted salesperson-hours.
- When one salesperson learned important issues and techniques there was no way to capture that knowledge so others could take advantage of it. To be sure, many sales meetings were devoted to transferring that knowledge. But then, some people would leave the company and their replacements would have to learn everything from scratch.

Eventually, I found that people experienced in implementing our systems, such as customers or systems integrators, often had the knowledge I needed. From these people I gleaned the real-world lessons that gave me credibility with prospects, information on which to base questions, and insights into prospects' true needs. This was information I needed in order to bring in more business. For instance, when selling inventory control systems, I learned that:

- Inventory control systems often initially cause short-term increases, rather than reductions, in inventory. Why? Because these systems quickly uncover potential stock-outs, triggering reorders earlier than the previous systems, but, at the same time they must allow slow moving inventory to sit there until it is depleted. Therefore, it takes a while for a system to reduce overall inventory levels.
- Production departments tend to understand problems immediately upstream or downstream from their own department, but they often have limited insight into what goes on in other areas of the company.

Yet those other areas affect, and are affected by, decisions made in production. Uncovering these causal connections can be difficult when operating within the company itself. They may be relatively easy for salespeople to spot from outside the company, looking in.

- Virtually any product or service will generate unintended and often unpleasant consequences. Many customers realize this, either intuitively or from experience. Therefore, to close sales, a salesperson must understand those consequences and the ways in which prospects and customers express their concerns—and be able not only to address those concerns but also to capitalize on them.

An example will illustrate what I mean: a recent client of mine sold coating formulations which enabled timed-release dosages to pharmaceutical companies. Logically enough, the sales force focused their efforts on the formulation chemists within their pharmaceutical customers with the goal of having them include these ingredients in their time-release medications. In fact, salespeople resisted the idea of calling on other departments. They could not understand the reasons for doing this, and they did not feel comfortable calling on senior executives.

However, once a formulation was approved for production, other people became responsible for scaling up the formula into production-sized quantities. Problems often occurred in production because, when employed in large batches, chemicals of this general type did not always behave the way they did in small-scale research experiments. Sometimes companies had to purchase special equipment and establish special procedures that drove production costs above the budgeted amounts.

My client's ingredients offered significant advantages because their product tended to be stable regardless of the batch sizes or the equipment used. This translated to major cost savings for the production side of the pharmaceutical company. Yet this benefit was being overlooked as the salespeople focused on the needs of the research and formulation chemists at front end of the development cycle, where they were

comfortable. The benefits to the production department resulted in reasons for the salespeople to call on more senior executives as well as on the formulation chemists (senior management was where the production and formulation departmental hierarchies joined). It also enabled them to add a strong, cost-based benefit to their sales presentations and proposals.

Over the years, I realized that many companies lack a true understanding of their value propositions. This workbook will give you the lessons that I and others have learned about business value on both sides of the sales transaction and help you use it to your advantage—and that of your customers!

### ***The Marketing and Selling Disconnect***

Marketing and product management activities are often not well integrated with sales activities, especially in large organizations. As a result, marketing and sales usually pursue separate, potentially unrelated, and sometimes conflicting goals and activities:

#### **Marketing:**

- Focuses on image and gaining people's attention
- Produces the collateral material
- Generates publicity and marketing "strategies"
- Gathers "leads" through trade shows and other means
- Pass as many "leads" as possible to the sales department

#### **Sales:**

- Closes as many orders as possible
- Must get it done yesterday
- Does whatever the customer wants, especially if an order is at stake
- Avoids wasting time on people who are not going to buy soon

Marketing expects the sales department to pursue the leads and close sales. Closing the business is the sales department's problem. Many a marketing department considers its

job done when it has dumped the leads over the wall to the sales department. They do not have to sort the leads, nor are they generally accountable for the quality of the product they deliver to the sales department, only the quantity.

This common disconnect creates a great deal of organizational (and individual) pain. Failing to tie marketing and selling to the same goals and objectives results in two key dysfunctions:

- No shared understanding of “how we get business” (the sales process)
- No common language to articulate the customer’s pain, or describe the value of the company’s offer

As a result, there is no systematic way to institutionalize market feedback or best practices. Individual marketing and salespeople become the repositories of information. However, their insights regarding customers’ needs can vary widely.

- Marketing or product specialists may understand customers but have no means of conveying that understanding in a structured way to the sales organization. This is often the case for professional services organizations or where a subject matter expert must help sales qualify or close the sale.
- Sometimes salespeople have a better understanding of customer needs but don’t have the tools to leverage that knowledge. They may create their own presentations and approaches to the value proposition, simply ignoring the marketing department’s ineffective collateral.

In either case, the organization is essentially frozen. Individual people may achieve successes, perhaps by working “around” the system, but the majority has difficulty duplicating their results.

It is very difficult to change an organization like this from the inside. Instead people resort to “default mode.” They try to fit the product or service into whatever procedure or method is the “path of least resistance” within the organization. If it doesn’t sell, well, whose fault is that? One can hardly blame them. Attempting to change how things are being done for the sake of one product can seem like an impossible task, especially if few other people see the real problems occurring in the field.

### ***Marketing Myopia***

In a famous essay on business management, Theodore Levitt argued that the decline and failure of great businesses is not due to outmoded technologies, nor is it due to changing markets and tastes. In his essay (“Marketing Myopia,” *Harvard Business Review*, 1960), Levitt said that growth stops and decline begins because top managers display a narrow, myopic concern with building and protecting their existing product niche. He illustrated his insight with examples from many industries, notably railroads, who "... assumed themselves to be in the railroad business rather than in the transportation business."

The remedy is to build a customer-oriented company that will keep pace with evolving needs. For this to happen:

- The entire corporation must be viewed as a customer-creating and customer-satisfying organism. Management must think of itself not as producing products but as providing customer-creating value.
- Organizations must learn to think of themselves not as producing goods or services but as buying customers, as doing the things that will make people want to do business with them.

Building a customer-oriented company means figuring out how to make everything we do consistent with what we know about the customer. It means identifying, articulating, and communicating what is important to the customer (in terms of business requirements, as well as product requirements) throughout every department in the customer organization where what you sell can have an effect.