

# VALUE DELIVERY SYSTEM

The structure of fully thought-out ideas that forms the basis of a solid business proposition.

Bob Ross  
Certified Professional  
Business Coach



# THE VALUE PROPOSITION - QUESTIONS

*A complete value proposition answers specific questions which help the business owner intentionally make strategic choices.*



***What is this proposition's time horizon?***

Spelling out your company's time horizon helps you set SMART goals (the T, Timebound in the acronym). Specifying a timeframe for your value proposition enables you to think through your short-term and long-term goals. By thinking through the timelines, you might find that you have identified two distinct value propositions and have thus made transparent the gaps in your company that exist between those two.



***Who are the intended customers?***

For most businesses, the intended customers are reasonably obvious; customers are the people immediately interacting with the organization. The question is not “who uses the product or service now and who wants it.” Intended customers might have no idea that your organization or your products and services even exist.



***What do we want these intended customers to do?***

Life is a series of tradeoffs, and your value proposition is no different. You may want your intended customers to buy your stuff at your prices, but you may also need them to change their routines or operations to gain the full benefit of your value proposition.



***What competing alternatives do they have?***

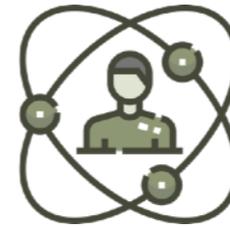
You must understand the value propositions your intended customers can have if they don't work with your company. You might think of these competitive threats as combinations of competitors' products, services, resources, and capabilities. Your intended customers might also choose competing technology or even to do nothing.

# WHAT EXPERIENCES WILL THEY HAVE AS A RESULT?

*With the previous four questions as context, you must decide what experiences your intended customers will have as a result of working with your company.*

“ Experiences are not useful because they help sell a product; products are useful because they help provide experiences. ”

– Michael Lanning



Answer this question in actionable, unambiguous terms. It requires disciplined choice. Please do not fall into the trap of conjuring everything customers might want you to deliver, because customers are an unimaginative lot and may not know what they want.

Similarly, you must go beyond listing the things at which you think your company is good. After all, the best competing value proposition might not even include those things.

In the same vein, go beyond your current products and services.

Spell out the entire list of experiences, including price, and including equal or inferior experiences.

*Remember, strategy requires making tradeoffs.*

Ensure that each of your experiences:

- ✓ Describes an event or series of events in the life of the customer
- ✓ Results from the customer doing what you propose
- ✓ Has some resulting consequence for the customer compared to her alternatives
- ✓ Has some value to the customer
- ✓ Is stated in specific, measurable terms

# RESULTING EXPERIENCES - WHAT THEY AREN'T

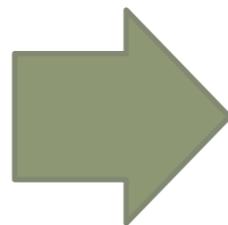
*Lanning scorches nearly everything marketing experts tout as “value propositions” by specifying what resulting experiences are not.*

Resulting experiences ARE NOT:

- A description of your company, your vision (though important), or your culture
- A summary of your products or services, processes, or resources
- A vague, ambiguous topic or platitude

I had to look up the word “platitude” when I read it in [Delivering Profitable Value](#) and found this online:

*A remark or statement, especially one with a moral content, that has been used too often to be interesting or thoughtful.*



**So, a resulting experience IS NOT:**

- superior
- total
- outstanding or unsurpassed quality
- service
- satisfaction
- performance
- convenience
- partnership
- reliability
- timeliness
- productivity
- responsiveness

“*Speaking in jargon carries penalties in a society that values speech free from esoteric incomprehensible bullshit. Speaking over people’s heads may cost you a job or prevent you from advancing as far as your capabilities might take you otherwise.*”

– Carmine Gallo

# COMMUNICATING THOSE EXPERIENCES

*Once you have identified the experiences you want your customers to have, you must determine how to communicate them.*



So that's what a true VALUE PROPOSITION is....or isn't. Now, let's dive into how the Value Proposition fits into the larger, more encompassing VALUE DELIVERY SYSTEM.

The difference between the two is that the Value Delivery System describes how we will *communicate* and *provide* the resulting experiences. Carving out your value delivery system is the essence of strategy and organizational alignment. You must make sure that the things your company does in marketing, sales, customer service, and operations ALIGN with your value proposition.



We have to communicate that the intended customer will gain these experiences if he does as we propose. The content of the message - facts, logic, evidence - help the customer understand the experience, its value and the reasons to believe it will happen.

Methods for carrying your message to your intended customers might include:

- an advertising campaign,
- a product's appearance,
- packaging,
- a trade show,
- word-of-mouth,
- public relations



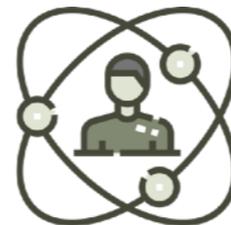
Lanning wrote this book in 1998, well before LinkedIn ('02) and Facebook ('04) were launched, so make sure you consider social media as new ways of connecting with your targets.

# PROVIDING THOSE EXPERIENCES

*Once you have identified the experiences you want your customers to have, you also must determine how to provide them.*



We must actually provide or deliver these experiences to the customer; that is, we must make sure that the customer indeed has these experiences. We must make them happen.



In most businesses, a product or a service is the main thing that provides the experience. However, it is the RESULT of the product, and not the product itself that matters. Other ways to provide an experience might include:

- packaging,
- a service that maintains a product,
- a customer training program,
- an instruction manual,
- an order fulfillment process,
- a distribution network



On the subject of packaging, Apple and other companies making electronic devices have put much thought and engineering into the experiences a customer has when she opens the box for the first time. Industry pundits call this the *unboxing experience*.

Sales people at your local Verizon or AT&T store are trained, once they've sold a new cell phone, to hand the box to the customer to allow her to soak up the experience of unboxing.

The slow whoosh of the silky printed box lid and bottom and smoothy taking off the protective cover can seem downright erotic (at least to some people, anyway).

Then, she might hand the phone back to the sales rep to assist with bringing over all her data from her old phone.

# THE ENTIRE VALUE DELIVERY SYSTEM FRAMEWORK

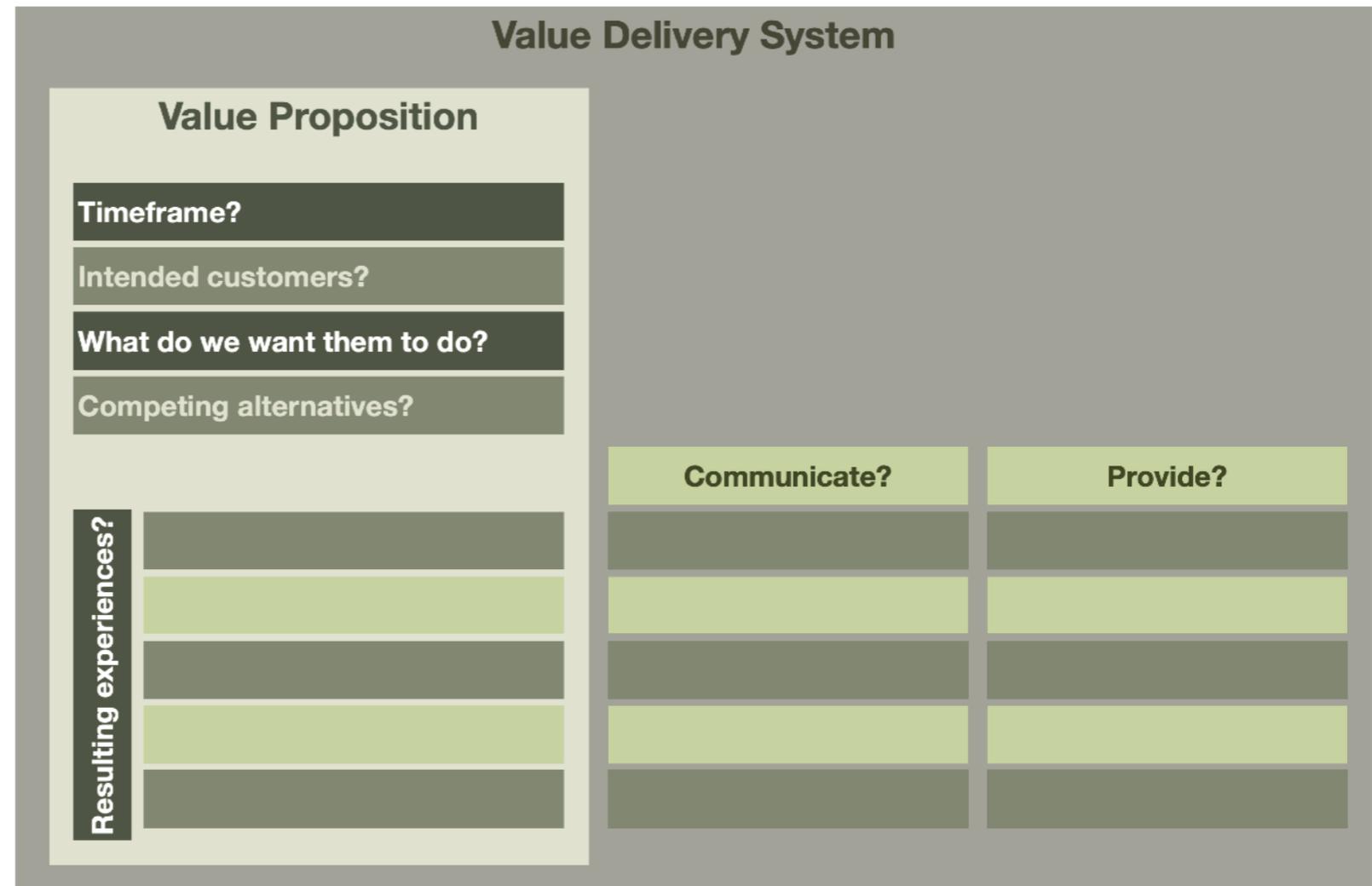
*The value proposition and value delivery system describe the structure of fully thought-out ideas that form the basis of a solid business proposition.*

So that's the framework for a defensible value delivery system: answering five questions about your timeframe, intended customers, what you want them to do, what their alternatives are, and the resulting experiences you want your intended customers to have from doing business with you. Then, determine how to communicate those experiences. Finally, determine how to provide those experiences.

To ensure completeness, you should articulate your company's answers to each of these questions within a spreadsheet similar to this one.

Don't let this simple spreadsheet disarm you. I encourage you to develop detailed narratives for each of these boxes.

*Could you imagine how well-prepared you would feel in a meeting with a banker if you did this work?*



# ABOUT BOB

Bob Ross of Highland Ross serves as an executive and business coach, working with business owners and leaders who are stuck in some aspect of their businesses.

Through his professional career in corporate America, small business America, and in the community, Bob has come to believe that our community is stronger when its local businesses are anchored with good leaders. The businesses themselves are stronger. Their employees feel safe and secure in their roles in their companies. Business owners' relationships with their spouses and significant others are stronger when they are good leaders. Their children are stronger and more resilient. All of this positivity sends positive ripples throughout the community in many ways, shapes, and forms.

Highland Ross exists to help, to coach, to enable, to challenge our local business owners to be everything their significant others, their children, their employees, and their community need them to be.

Bob is married to Dixie, Assistant Dean of Finance and Administration at Wake Forest University. Together, they have three spirited, active adult kids. All have been active in the community, the church, and sports.



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