

# 10 Proven Templates for Writing Value Propositions That Work



"Let me see the first one again."

You already know that getting your value proposition right is critical to your business model. You can have the best features, the most perfectly executed presentation, the most stunning price, but no one will ever know of it if they don't get past your high-level value proposition.

But how do you craft such a pitch?

Continuously looking to perfect your value proposition you'd consult lengthy articles only to find that there's a jungle of advice out there. What you need is applicable examples from entrepreneurs and investors who have successfully given and taken thousands of pitches, right?

So I've put together 7 proven templates that are designed to help you create a clear, compelling value proposition in minutes.

## #1 Geoff Moore's Value Positioning Statement

Probably the most popularized - in his seminal book *Crossing the Chasm* - Geoff Moore suggests a specific template for outlining your value positioning. In addition to the first part below, Moore also introduces a second statement focused on competitive positioning.

### **Template**

For \_\_\_\_\_ (target customer)

who \_\_\_\_\_ (statement of the need or opportunity)

our (product/service name) is \_\_\_\_\_ (product category)

that (statement of benefit) \_\_\_\_\_ .

### **Sample(s)**

For non-technical marketers

who struggle to find return on investment in social media

our product is a web-based analytics software that translates engagement metrics into actionable revenue metrics.

## **#2 Venture Hacks' High-Concept Pitch**

In *Made to Stick*, Dan and Chip Heath point to how high-concept pitches such as 'Jaws on a spaceship' (*Alien*) and 'Die Hard on a bus' (*Speed*) convince movie executives to invest vast sums of money in a project on the basis of almost no information.

In *Pitching Hacks* Nivi and Navel from Venture Hacks share examples of this technique applied to startups.

### **Template**

[Proven industry example] for/of [new domain].

### **Sample(s)**

Flickr for video.

Friendster for dogs.

The Firefox of media players.

## **#3 Steve Blank's XYZ**

Steve Blank writes that a Value Proposition is a ten-dollar phrase describing a company's product or service. It's the "what are you building and selling?" He suggests the following format for creating a value proposition statement that other people understand.

### **Template**

“We help X do Y doing Z”.

### **Sample(s)**

We help non-technical marketers discover return on investment in social media by turning engagement metrics into revenue metrics.

## **#4 Vlaskovits & Cooper's CPS**

In their *Cheat Guide to Customer Development* Cooper and Vlaskovits use what they call a Customer-Problem-Solution approach to developing your value proposition.

### **Template**

Customer: \_\_\_\_\_ (who your customer is).

Problem: \_\_\_\_\_ (what problem you're solving for the customer).

Solution: \_\_\_\_\_ (what is your solution for the problem).

### **Sample(s)**

Customer: I believe my best customers are small and medium-sized business (SMB) markets.

Problem: Who cannot easily measure campaign ROI because existing solutions are too expensive, complicated to deploy, display a dizzying array of non-actionable charts.

Solution (Ties the customer and problem with the solution into a final value proposition): Low cost, easy to deploy analytics system designed for non-technical marketers who need actionable metrics.

## **#5 Dave McClure's Elevator Ride**

In his *How to Pitch a VC* presentation Dave McClure presents a 3-step check list for creating positioning statements.

### **Template**

- Short, simple, memorable; what, how, why.
- 3 keywords or phrases
- KISS (no expert jargon)

### **Sample(s)**

- "Mint.com is the free, easy way to manage your money online."

## #6 David Cowan's Pitchcraft

Although a more elaborative one David Cowan shares some useful guidelines in *Practicing the Art of Pitchcraft*. Here is a summary.

### Template

1. Highlight the enormity of the problem you are tackling.
2. Tell the audience up front what your company sells.
3. Distill the differentiation down to one, easy-to-comprehend sentence.
4. Establish credibility by sharing the pedigree of the entrepreneurs, customers, or the investors.

### Sample(s)

One person dies of melanoma every 62 minutes.

We offer a dermatoscope app for iPhone that enables people to easily diagnose their skin, leveraging patented pattern recognition technology trusted by the World Health Organization.

## #7 Eric Sink's Value Positioning

*Eric Sink* writes that marketing is somewhat like an iceberg - the part sticking out of the water is highly visible. For this Eric suggests the following format for positioning.

### Template

Superlative ("why choose this product").

Label ("what is this product").

Qualifiers ("who should choose this product").

### Sample(s)

The easiest operating system for netbook PC's.

The most secure payment gateway for mobile e-commerce.

## #8 The VAD approach

*Guy Kawasaki* takes a verb-application-differentiator approach in describing the startups that he's working with.

### Template

[verb; application; differentiator]

### **Sample(s)**

Share PowerPoint and Keynote slides including audio (Slideshare).

Create and write blogs via email (Posterous).

Make VOIP calls easily and cheaply (JaJah).

## **#9 Clay Christensen's Jobs-to-be-done**

According to Harvard Business School Professor Clay Christensen, designing an innovative customer value proposition begins with genuinely understanding the customer's jobs-to-be-done (JTBD).

JTBD is not a product, service, or a specific solution; it's the higher purpose for which customers buy products, services, and solutions. Its premise is that customers don't really buy products. They "hire" them to do a job. Instead of asking what products customers want to buy, the JTBD method asks what fundamental problems they hope to address.

The authors of *The Innovator's Toolkit* suggest using a "job statement" to describe a JTBD.

### **Template**

Action verb: \_\_\_\_\_

Object of action: \_\_\_\_\_

Contextual identifier: \_\_\_\_\_.

### **Sample(s)**

"Manage personal finances at home". (Mint.com)

"Preserving fun memories." (Kodak's Funsaver)

"Listen to music while jogging." (iPod)

## **#10 The Minto Pyramid aka SCQA**

SCQA – Situation, Complication, Question, and Answer – also known as *The Minto Pyramid Principle*, helps you organize ideas to write compelling business documents. It be memos, presentations, emails, blog posts or – key to all the former – value propositions.

### **Template**

Situation - describe what is the current situation

Complication - describe the issue in the situation

Question - describe the question in response to the issue

Answer (your value proposition) - suggest answer to ease out or mitigate the issue

**Sample(s)**

With the rise of smartphones and online video the use of data has exploded.

Consequently, wireless networks become congested and slow.

How can mobile operators increase their quality of service?

(Your value proposition): Our patented routing algorithm helps mobile operators radically increase throughput.

Adapted from <http://torgrosund.com/2011/11/29/7-proven-templates-for-creating-value-propositions-that-work/> and <http://torgrosund.com/2013/06/19/three-value-proposition-templates/>