

VALUE PROPOSITION



Definition: A quantitative, easy-to-remember statement that summarizes the value of your offering.

VALUE PROPOSITION COMPONENTS

A way to explain your project



Important Customer

Nneeds

Approach

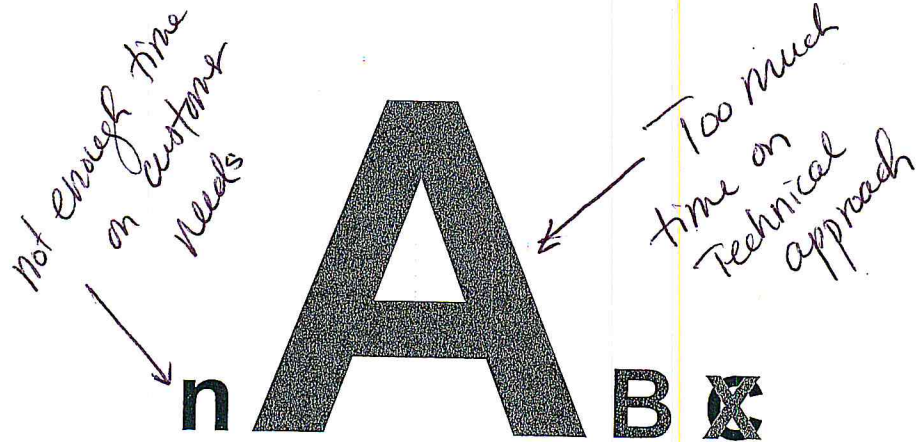
Benefits per cost

Competition
and alternatives



SHARED LANGUAGE FOR VALUE CREATION

Unfortunately, this is how most presentations look:



AN EVERYDAY EXAMPLE

We create value propositions naturally every day

I understand that you are hungry (**N**eed)
 Let's go to the SRI café (**A**pproach)
 instead of McDonald's (**C**ompetition),
 because for the same price, the SRI café has better food, it's quiet, and we can continue our discussion (**B**enefits/costs).

We naturally create Value Propositions in our everyday life

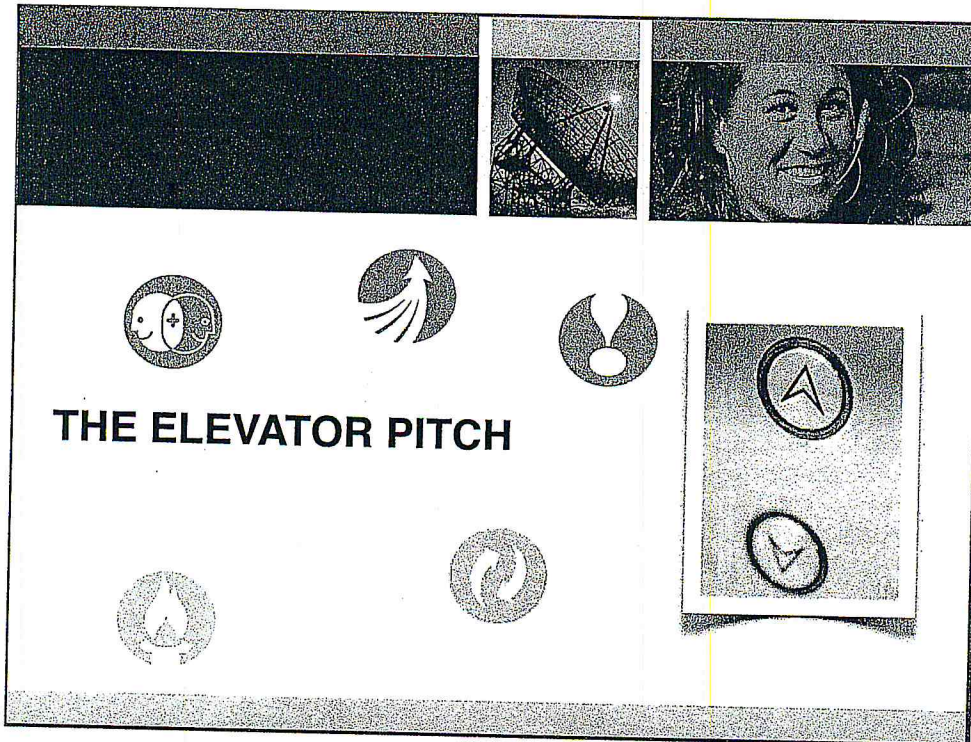
An SRI colleague developed a Value Proposition for his marriage proposal !

Remarkably useful in business environments, but rare!

The key is making the Value proposition CLEAR, CRISP and COMPELLING

Remember: Only your customer defines your value

2



THE ELEVATOR PITCH

WHAT DID I JUST DO?

Elevator Pitch

Hook

N

A

B

C

Close

Value Proposition

Hook examples (attention grabbers)

- "How many of you would like to increase your ROI by 25% within 6 months?"
- "You can see dramatic results with just three changes."
- "Why do drug dealers live with their mothers?"

Close examples (clear, actionable requests)

- "Can my team meet with you within two weeks to begin this journey?"
- "Will you set up a meeting with your Vice President to discuss this further?"
- "We want \$50,000 to test our prototype and lower this project's risk"

INNOVATION PLANS

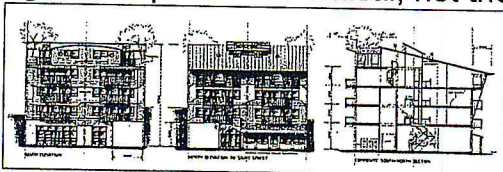
The blue print for raising investments needed to get started

Extend & advance your NABC Value Proposition

- A world-class team
- Positioning to address an important unmet need
- Business model
- Unique, compelling competitive advantage.
- Risk mitigation

Format

- Clear & concise: 10-20 slides or 2-4 pages
- Addressing all components is critical, not the order



*10 slides
20 min
30 pt. font
min*

CREATE INTEREST TO LEARN MORE

OPENING : - Hook

- Short summary of company purpose
- The ask

*1. builds trust = transparent
2. May not get to end of presentation so don't wait.*

NEED:

- Important unmet need - "pain killers"
- Sense of urgency - why now?
- Market ecosystem - size, disruption
- Initial positioning - first customers, growth

In what market will you start?

INNOVATION PLAN APPROACH

Answer key questions and build excitement

APPROACH: Product and/or service definition

- Bring it to life – demo, story, sample

Go-to-market

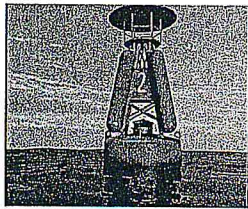
- Reference customers or partners

Senior management & staffing

- Expertise to make it happen

Business Model

- How you make money



Sell products & services
Subscription
Give away printers & sell ink
Other?

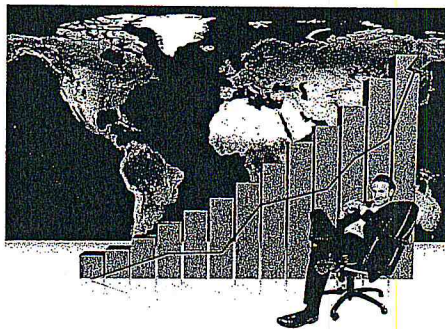
QUANTIFY MEANINGFUL VALUE

Benefits- - Quantitative advantage & payback

per-cost: - Customer value

- Investor benefits – ROI, growth, profit

- Staff, partner & other stakeholder value



POSITIONING TO MINIMIZE RISK



- Competition: Competition now & future
- Comparison
 - Able to perform significantly better
 - Differentiated, unique & enabling



- Barriers to entry
- IP, business model, partnerships
 - You can own and protect

- Risk mitigation plan
- Address issues of maximum risk
 - Ability to react to external changes

CLEAR CONCLUSION TO MOVE FORWARD

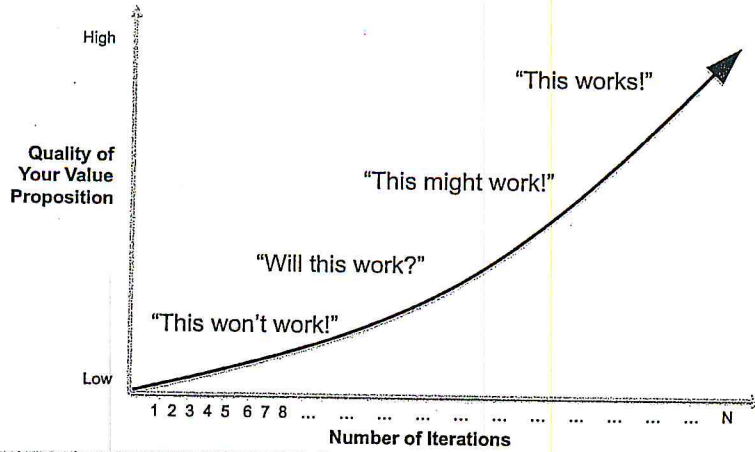


- Close: Summary
- The "ask"
 - What happens next
 - Next steps



THE POWER OF ITERATION

More iterations = dramatic improvement
 Work on parts to improve the whole
 Reduce risk



VALUE PROPOSITIONS VARY IN DETAIL

Hook

N

A

B

C

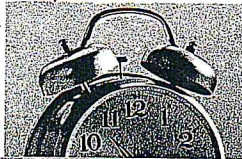
Close

Value Proposition

<60 seconds = elevator pitch
 = executive summary

4-5 minutes = staff meeting update
 = introduction

20 minutes = innovation plan
 = funding request
 = customer presentation





SRI ELEVATOR PITCH WORKSHEET

Project Title:

Audience:

Customer:

What's the opening?

HOOK

What's the important, quantitative, customer and market **NEED**?

N

What's the specific quantitative **APPROACH** to satisfying that need?

A

What are the quantitative **BENEFITS PER COSTS** from this approach?

B

Who is the **COMPETITION** and what are the alternatives? Why are your Benefits-per-Costs superior?

C

What action do you want taken?

CLOSE

VALUE CREATION FORUM FEEDBACK ROLES



Green hats

- What was most valuable?
- What did you like and why?
- What should **not** change?
- What was most compelling for you?



Red hats

- What is missing?
- How could the value be improved?
- Where was value unclear or not compelling?
- What was not quantified?



Eyes of the customer

- What is missing in the proposition?
- How does this compare to my alternatives?
- What value does this bring to the customer?
- What changes would make this more compelling?



White hats (funding source)

- What would a funder need to hear?
- Is this investment ready? Why or why not?
- Is the opportunity big or important enough to warrant the investment?
- What changes would make an investment compelling?

TEAM MEMBERS TAKE NOTES

Feedback that Improves the Value Proposition

- ◆ Always start with things that you liked (green hat feedback)
- ◆ Use “and” – not “but” ...
- ◆ Make “I” statements rather than “you” statements
- ◆ Be nice, don’t be nasty ... some people think they show how smart they are by being nasty