

COMPETING TO WIN:



Beyond A Better Value Proposition

TRANSEARCH

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“When the trees get bigger, the forest gets deeper and the path ahead more hazardous, it’s time to sharpen your saw.”

I was first introduced to the concept of a winning value proposition over two decades ago in Stockholm, when working in partnership with a Swedish consulting firm. The underlying principle – if you can’t differentiate yourself find a new business – is hard to argue with.

It’s easy to confuse value proposition with brand. In fact, many businesses do. Your brand is your story; it’s who you are; it’s your identity (captured in a brand symbol); it’s the broad promise you make to those who buy – or are thinking about buying – your product or service. Your brand enables customers, suppliers, employees and other stakeholders to understand what the company does and, above all else, what makes it stand out from the crowd.





The “promise” implicit in the brand can be seen in these examples.

- Coors Light: “The World’s Most Refreshing Beer”
- BMW: “The Ultimate Driving Machine”
- Nike: “To bring inspiration and innovation to every athlete in the world”
- Apple: “Think different”
- Starbucks: “To inspire and nurture the human spirit – one person, one cup and one neighborhood at a time”

A promise that’s not fulfilled isn’t much of a promise. A successful brand wins in the marketplace because, beyond the slogan, it delivers **Better Results And No Disappointment**. Nothing is more perilous to an organization’s health than when its brand fails to live up to its promise. Walmart failed in Germany because “Lower Prices Everyday” didn’t work. The market was already saturated with low price retailers. Similarly, if the brand promise is poorly defined (common), it’s difficult – to the point of being within the realm of fiction – to see how those within the organization can live up to a promise that they don’t fully understand.

A brand can be viewed as a competitive spear thrust into the marketplace. The value proposition sits at its tip. A truly winning value proposition spells out, in easy-to-understand terms, how the provider delivers *distinct* value. It’s not what you do, it’s how you make a difference. To have impact the value proposition must be specific, succinct and sustainable. Consider these illustrations.

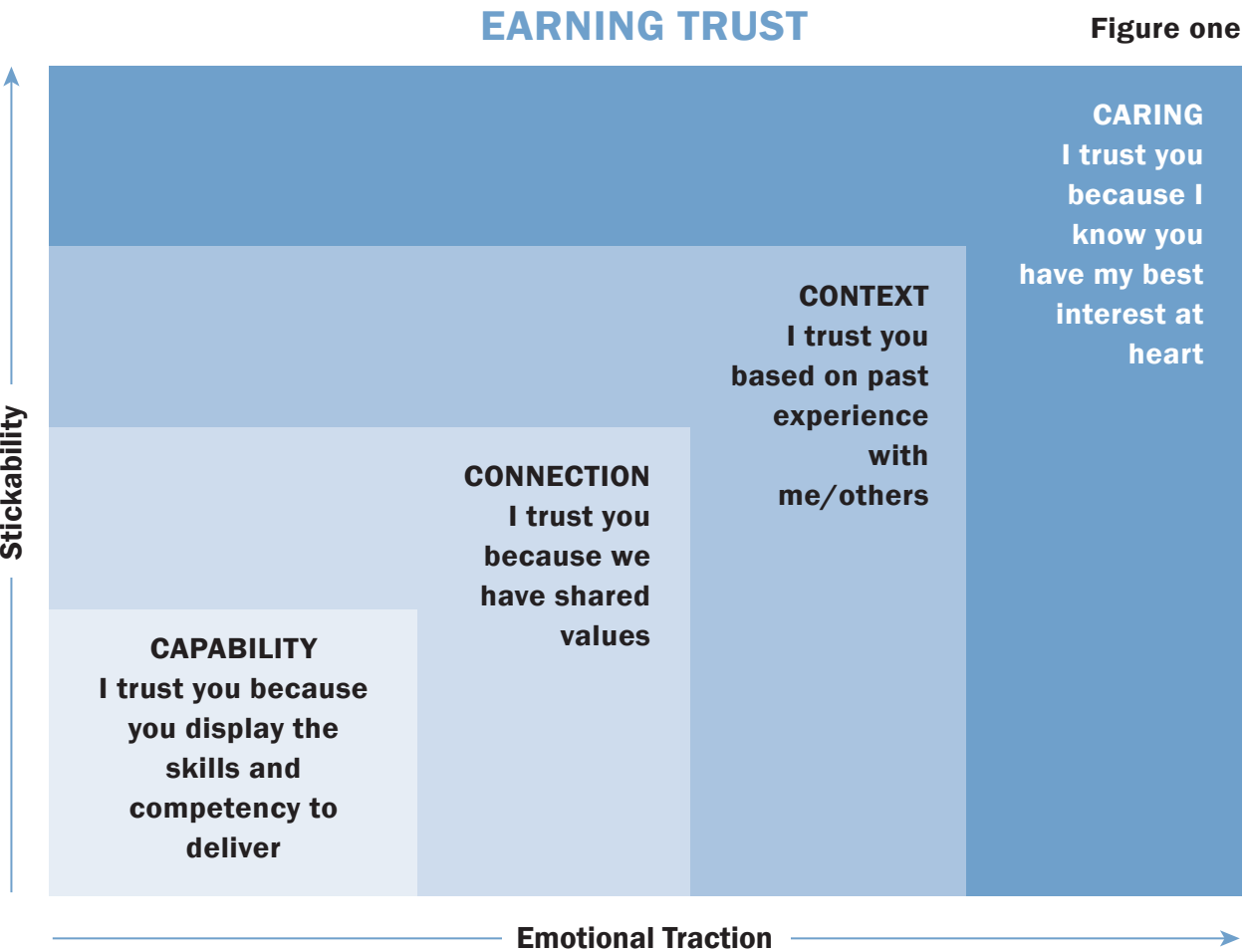
- Salesforce: “Connect to Your Customers in a Whole New Way”
- Spotify: “Anyone, anywhere can start a business”
- Target: “Luxury Hand-Crafted All-Natural Wooden Watches”
- Dollar Shave Club: “A Great Shave For A Few Bucks A Month”
- Zoom: “Flawless video. Clear audio. Instant sharing.”

There are two forms of value proposition. The first, adding value. “A Great Shave For A Few Bucks A Month.” The value added? A *cheaper* shave without losing quality. The further you move away from selling a commodity, the more the second kind of offering comes into play: creating value. “Anyone, anywhere can start a business.” The value created? No matter who you are, we will help you start a business. Adding value provides an economical shave. Creating value has the potential to transform what is. As for competitive flair? Identify what concerns you most about what the competition might well do – and do it before they do. Retaliate first!



Adding value versus creating value prompts a very different way to think about business development. Tactical versus strategic. Improvement versus change. Transactional versus transformational. Doing things right versus doing the right things. Adding value draws on and propagates a commodity mindset. The underlying question for the commodity provider is, “How do we make money from this?” Creating value, on the other hand, prompts a very different question: “How can we make the client’s business better?” The provider who has a truly differentiated offering, based on creating value, but who focuses on short-term financial gain is turning their back on a far more beneficial, long-term opportunity. A business development mindset oriented to adding value makes perfect sense in a steady state world. We don’t live in a steady state world.

It takes five times the investment to win a new client than it does to keep the client you already have. The challenge? One: to win new business (emotional traction). Two: to build





a wall around the established client base (“stickability”). How do you do that? Your brand is the start of it. A winning value proposition is part of it. But building trust lies at the very heart of it.

Responding to a compelling organizational theme, I deliberately opted to use the term “client” throughout the text.

1. What’s next is, invariably, happening now – in some places some of the time. There are few arenas more competitive than the one successful professional services firms find themselves in; possibly no sector where trust is such a make or break issue. The very best thrive as a team of teams.
2. Emerging technology, ongoing uncertainty and the accelerated rate of change demand a new approach to organization design. An approach that draws on a very different mythology from the hierarchy-dominated, control-oriented, shareholder value driven approach that dominated the last century. A 21st century mindset that emphasises riding the waves of disruption, heightened agility, increased speed of learning and a focus on stakeholder value – an approach organized around a team of teams.

As we move away from hierarchy and top-down leadership, the ecology of partnership, transparency and a different way to think about what it means to be a team (e.g., remote employment) produces an unprecedented need for collaboration.¹ Trust building, of necessity, moves to centre stage. Meanwhile, best-in-class professional services firms offer an innovative way to think about successful team-to-team and team-to-*client* relationships.² Think client – think “intimacy,” “lasting relationships” and a “serving spirit.” If “customer,” “buyer,” or some other descriptor is a better fit in your emerging business environment please substitute it whenever you see the term “client.”

To build business with market leaders, a strong brand + a winning value proposition represent the basic commercial platform needed for success.³ One knocks⁴ and the other

1 All too often “collaboration” is confused with “cooperation.” Cooperation is two or more people in pursuit of a common goal where it is assumed, from the outset, that the benefits or value derived from working together is to be shared equally. Collaboration is somewhat more altruistic. It is two or more people in pursuit of a common goal where it is assumed from the outset that your partner’s needs have primacy.

2 With 60 businesses in 40 countries, TRANSEARCH is, essentially, a team of teams. To a large extent, success lies with the degree of collaboration between those teams. The ideal relationship emerges when “teams” start to deal with each other as if they were working with their most valuable client.

3 Perhaps the biggest (and most seductive) trap in business is to assume that because you’re making money you are successful – that you don’t need a winning value proposition. AOL, Kodak, Nokia, BlackBerry and General Electric were all making money – until they weren’t!

4 The knock on the door is made “louder” where one or more of those on the provider’s team have a strong “personal brand.” Thought leadership, authorship of books or leading articles, a highly lauded online presence (e.g., webinars), being quoted in popular publications, taking advantage of various forms of social media and/or a prestigious past role being typical vehicles of personal branding.



opens the door. Assuming that they are both in place, the provider-client relationship moves forward based on the provider's ability to move the client through four incremental levels of trust. See **Figure one**.

1. *Capability* – the provider displays the competency and experience needed to deliver⁵ on the promise. I trust you because your dress, deportment, location, qualifications, international reach, maturity, marketing material, experience and perceived value (added or created) separates you from the competition. Distinct competitive advantage: a strong brand + a winning value proposition + assumed capability. For the uninformed, impatient, and/or overworked client, a value proposition that offers little by way of differentiation + assumed capability may well suffice. In the meantime, don't expect provider-client stickability.
2. *Connection* – the provider builds a business relationship that draws on the assumption of shared values. I trust you because how you think and act are congruent with the behaviour I give primacy to. Distinct competitive advantage: a strong brand + a winning value proposition + capability + shared values. For the experienced client all of the factors described in *Capability* play a role in the buy decision. In addition, however, the client needs to feel that when faced with a problem or unexpected disruption, the provider will act in a way that the client would endorse. Note: it's strongly to the provider's advantage if: (1) their values are explicit (e.g., website); (2) their mode of communication, dialogue and delivery reinforces their values; (3) the support team, in every interaction with the client, exhibits those values; and (4) the provider's team takes time out periodically to review, validate and assess their behaviour against those values.
3. *Context* – the provider develops trust based on either: (1) past experience with the client; and/or (2) the experience of other clients with the provider. I trust you because there is a strong history of excellence in how you deliver. Referral and endorsement play a key role. Even more important is storytelling. Leaders are storytellers. When competing against the best to serve the best, it's *how* you share past success that is the difference that makes a difference. Distinct competitive advantage: a strong brand + a winning value proposition + capability + shared values + earned reputation. The savvy client will often be prepared to take a risk with a new provider if the conditions of excellence – as identified in levels 1 and 2 + a track record of excellence – are met.
4. *Caring* – I trust you because I have every reason to believe that you will put my needs ahead of your own.⁶ In everything you do and say, it's clear that you *authentically*

5 To deliver, in the first instance, will be seen in relation to the immediate problem to be solved. In building a long-term relationship, the capacity to deliver all aspects of the provider's value proposition quickly enters the picture.

6 The underlying premise of servant leadership.



have my best interest at heart. Distinct competitive advantage: a strong brand + a winning value proposition + capability + shared values + earned reputation + a collaborative partnership. For the masterful client the opportunity for collaboration enables problem solving to move to breakthrough thinking. Beyond that, mutual coaching means that both the provider and the client grow as a result of the relationship.

In a world marked by increased competition, moving through all four levels of trust becomes a non-negotiable priority. Indeed, “caring” becomes such a pivotal business development issue that it’s worth delving deeper into the final step in earning trust (level #4). To build a winning relationship with leading edge clients,⁷ to enhance stickability, to develop future capability ... is to CARE.

- ✓ **Courtesy.** If you observe a consummate business development professional, every dimension of relationship building is acted out as if it were an elegant dance. An interpersonal ballet where courtesy and timing are constantly being honed. The late Peter Drucker expressed it this way, “Courtesy is the lubricant of leadership.” I show that I care through the level of respect portrayed.
- ✓ **Alignment.** Moving beyond the client’s conceptual and/or problem horizon is a problem. Moving too slow is a problem. Lack of technological savvy is a problem. As is the assumption that you need to deliver every aspect of your value proposition with every client. Building a long-term relationship means surfacing the client’s strategic intent and understanding the culture that they are moving towards. It’s fully understanding the problem and/or opportunity faced. It’s getting to know the key players. It’s wrapping your offering around the client’s established process, recognising the clock speed of their business and knowing when and how (ideally, through story) to emphasise your point of difference. I show that I care by: (1) taking time to really understand the client’s business; and (2) making it clear that the client’s success always comes before mine. Nothing transcends working to make the client’s business better.
- ✓ **Resilience.** Excellence of delivery means: (1) exploiting a robust business development funnel; (2) investing at least 20% of the time connecting with and getting in front of new clients; (3) analysing every misstep; and (4) learning from success. Ultimately, we don’t learn from getting it wrong. That merely lets us know what doesn’t work. It’s learning from what worked – and laying the table such that we build on it – that results in growth and resilience. I show that I care by building a relationship with those clients where I know I can make the greatest difference. You know how you win.

⁷ Where you learn from the client.



- ✓ **Engagement.** This speaks to developing rapport, active listening, truly understanding the client’s issue, exploring opportunity and, to the extent possible, involving the client in the way forward. What the client plays a role in, they adopt a degree of ownership towards. If you want a future referral, involve the client in the “how.” I show that I care through generosity of spirit and shared learning.

It’s important to recognise that you can’t move from one level of trust to the next until you have satisfied the characteristics of trust in the level below. You may have values that the client admires, but if you lack the desired capability those values will carry little weight. Similarly, you may be able to cherry pick those times when you have been successful, but the client you want won’t take capability and/or the provider’s values at face value.

Keep in mind that if you have a “me too” value proposition you are, essentially, fishing without bait. Trust, as might be expected, still enters the picture – right alongside hope and the tenacity to collect a lot of “no’s.” Even for the optimist on their birthday, hope isn’t an especially good strategy.

Buried deep within each of us is the strong probability that trust is the default behaviour. We want to trust. No less, we want to be trusted. Unfortunately, things aren’t that simple.





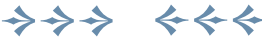
The durable command and control mythology of the 20th century organization, a naked profit motive, unbridled ambition, lack of capability and/or cultural difference have, all too often, thwarted trust-based relationships. Our heart wants to trust but our head rules the day.

We have to earn trust, build it and deliberately create an environment where trust flourishes. This isn't a sometime skill. Successful business development means building trust with the client (potential and established) every day, in every way. In moving through the four levels of trust we draw out our point of difference, consolidate our capability, validate our values, exploit our experience and open the opportunity to be coached by our client.

When everything else is stripped away, to be a leader is to be in the emotional transportation business. Now more than ever. Each level of trust outlined in **Figure one** introduces heightened emotional traction. Trust has always been a central tenet in business development. As the way forward becomes ever more uncertain, as established practices become less "sticky" and as new digital entrants seek to change the game, emotional traction takes on renewed importance.

Beyond COVID, more Black Swans will emerge. Disruption breeds distrust. Uncertainty undermines understanding. Agility draws on authenticity. Remote employment resets resilience. Building trust, thus, becomes central, not just in moving the provider-client relationship to higher ground but in everything those who lead seek to influence.

You must have a winning value proposition. Without it you are in the wrong business. But is a winning value proposition, on its own, enough? Developing business involves a degree of analysis and logic, but the client's final decision is, ultimately, based on emotion. And what could be more emotional than TRUST?



“When the trees get bigger, the forest gets deeper and the path ahead more hazardous, it’s time to sharpen your saw.”





Action Questions

1. Does your brand – in an imaginative, creative and memorable way – capture what it is that makes your business truly special?
2. Do you have a clear and distinct winning value proposition? Specifically, how does your current offering create value such that it clearly sets you apart from even your most highly lauded competitors? Are you positioned to deal with new entrants to the marketplace? Recognising that today's distinct point of difference is destined to become tomorrow's commodity, specifically, what are you currently doing to evolve/reinvent that distinct point of difference?
3. Leaders are readers. In your business, do those who lead read? Are thought leadership, best practice and the strategic thrust of the best of those you compete with regular points of discussion? Does the capability needed for future success draw on that shared insight? Do those in key positions have an agreed personal, development plan aligned with future capability? Is coaching within your business alive and well? Is there an ethos of learning that moves beyond simply building on what you already do (simple learning) to one that puts the emphasis on challenging the status quo, stretch, innovation and reinvention (learning how to learn)?
4. If I was a potential client would it be clear from your website, business proposals and marketing material exactly what your values are? Does the team clearly (and overtly) live those values? Can you give recent examples?
5. As central to your business development initiatives, have you prepared, honed and rehearsed the stories that best cameo past success? Are those stories always relevant to the client's situation? Does your website carry video endorsements from best-in-class clients? Are those endorsements updated regularly?
6. Is your overall business development theme to create rather than merely add value? How could you move to the former? Are you equipped to partner fully with market leaders? Do those who play a key role in serving the client display coaching mastery? In collaborating with clients, can you clearly identify where and how breakthrough thinking has resulted? What can you change?
7. In your business dealings, do you deliver all four levels of trust? If not, what do you need to start to do, stop doing or do differently?



John Burdett has worked in over 40 countries as an executive and as a consultant for businesses that are household names. He continues to work on leadership development and organization culture for some of the world's largest corporations. In 2019, his work with ABB's top 240 executives received a major international award for the most innovative leadership development initiative of that year. His ongoing partnership with TRANSEARCH International means that his proprietary work on talent acquisition, in any one year, successfully supports many hundreds of top leadership appointments on six continents.

He has written extensively on executive coaching and was awarded international coach of the year by the Finnish Institute of International Trade. Business graduates at the University of Texas indicated that his material on coaching was the single most valuable learning source they took away from their undergraduate degree. He has also coached numerous executive teams around the world in how to coach. He currently coaches a select group of CEOs. Apart from a range of corporate leadership workshops, he has taught at business schools on both sides of the Atlantic. His work on the MBA program at the University of Toronto received a teaching excellence award.

John holds a doctorate in management development and is a Fellow of the Chartered Institute of Personnel and Development. In addition to numerous business articles and twice being awarded article of the year by MCB publications, he has published 15 books on leadership, talent management, coaching and organization culture – a number of them bestsellers. His Talent Trilogy was completed in 2016. *The A-Z of Organization Culture* came out in 2017. *Tomorrow Will Be Different – Will You?* was published in 2020. In addition to the publications outlined, his five-part *Leadership Beyond Crisis Series* came out in 2021. He has recently completed his *Executive Playbook – It's Time to Rethink Succession*.



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