The Project Value Proposition: How Good is Yours?

Focus on Adding Value

~ By Duncan Haughey

A value proposition is a clear statement of the tangible results a customer gets from using your products or services. The more specific your value proposition is, the better.

— Jill Konrath, Author of Selling to Big Companies.

Times are tough. Money is tight; people are being laid off, and we're deep in an economic recession. In times like these, customers focus on value propositions. Let's suck it and see, is not a phrase you hear a lot in a recession.

Customers look at the value proposition of projects and ask, "How does the spend on this project benefit us?"

Strong value propositions include:

- Increased revenues
- Faster time to market
- Reduced costs
- Improved operational efficiency
- Increased market share
- Decreased employee turnover
- Improved customer retention levels

Projects with the best value proposition get funded. So how can you emphasise the value proposition of your project?

1. Address Real Needs

Address the customers' needs, which may differ to what they have told you. People are not always clear about their requirements. It's your responsibility to tease out exactly what they want to achieve from the project.

To do so, listen hard, and check your understanding as you go.

A common mistake is thinking of, or worse still, developing a solution before the requirements are known. The customer will tell you a lot; some will be relevant to the project, some may not be. Ensure you record all of the requirements and use open questions to delve deeper. Test your understanding by playing back to the customer what you understand their needs are.
They will like the fact you show interest in them and their problems and opportunities. It will make your solution sound more considered and tailor-made.

Make sure you are addressing a genuine business need, otherwise your relationship with them is likely to be short and a casualty of the recession.

2. Go Beyond the Basics

Look for ways to improve your offering. Look to address a genuine business need. For example, a customer may wish to implement a Web Content Management System (WCMS). They may want to publish video content regularly on their website, but haven't got a way of storing and classifying it efficiently. You could improve your offering by including a Digital Asset Management component to your project, reasoning that it dovetails nicely with the WCMS, thus killing two birds with one stone.

This approach may get you ongoing work if pitched right. It might involve little more than implementing a few extra software modules.

3. Establish Feedback Mechanisms

Feedback is an essential part of every project. The more you talk to the customer, the more you find out. Constant contact will give you valuable insight into what the customer is thinking.

Feedback is an important gauge of how satisfied customers are with the delivery of a service or the quality of products received. When the customer offers feedback, and you respond by taking appropriate action, customers feel you care about them. This care helps build trust.

Building trust and establishing feedback mechanisms can give you more ideas on how to "go beyond the basics". How to best address the genuine business need.

Don't be afraid to engage in open, free and frank conversations with your customers.

4. Look at Projects as Partnerships

Supplier selection can be a pain. It's time-consuming and risky. A poor choice can lead to wasted time, cost and the hurt of having to carry out the process again.

Customers don't just want suppliers; they want trusted partners. They want somebody who is on their side. Look at your customer as a business partner. If they like you, they are unlikely to go back to the market to find somebody else. So make their business, your business.

Take this approach and create a win-win situation for you and your customers.

5. Learn About the Business

Let's say your customer is in the Logistics business. Learn everything you can about that industry. Research and understand the industry in a broad sense, not just the parts your project covers.

One of the interesting parts of being a project manager is that you get to look in detail at people's businesses. You learn about the people, processes, issues, risks and opportunities.

With this knowledge, you are a valuable asset as you've become a "logistics person". You can talk to the customer about their business in their language, understand their problems, and you've got industry knowledge.
Final Thought

These tips won't make your project recession proof. However, they will emphasise its value proposition, and help you stand out from the crowd.

References

¹ How to Write a Strong Value Proposition, Jill Konrath, The Sideroad