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Research Brief

Value Actualization Tools: A Sirius Introduction

Value actualization (VA) tools support the selling process by quantifying value delivered by products and solutions to specific buyers

Convene a cross-functional team from marketing and sales to brainstorm how VA tools can be used most effectively

For each market segment, buyer role and persona, identify and quantify the key value that will be delivered, then use the tool to portray this value delivery

Editor's Note: This is the first of a two-part series on value actualization tools.

Consider two shoppers that are looking for a new car. One is a stay-at-home parent; the other is an outdoor enthusiast who loves snowboarding. Living in an area known for rough winters, they're both looking for a car with all-wheel drive (feature) that will handle well in the snow (benefit). The safety factor would be of paramount value to the parent; for the snowboarder, it's getting to the mountain regardless of conditions.

Because b-to-b buyers also get different value from the same features and benefits, consultative marketing and sales approaches must be used to understand their perceptions, with the pitch tailored accordingly. To support this effort, there's a new breed of sales enablement offerings that SiriusDecisions classifies as value actualization (VA) tools. In this brief, we provide an overview of VA tools, as well as considerations for deciding whether to implement them.

Defining Value Actualization Tools

VA tools are software-as-a-service (SaaS) applications that enable a buyer (through direct access to the tool) or rep (during a sales call) to enter various business metrics and then calculate the value that can be derived from implementing an offering. These tools allow reps to translate the benefits of a solution into different types of value delivered to different buyers – a subtle, but impactful advance beyond return on investment/total cost of ownership (ROI/TCO) calculations.

For example, the overall benefit of Web conferencing software is that it saves time and money on travel and facility rentals by replacing face-to-face meetings. Using a VA tool, a rep can show a CSO (based on data provided by the CSO) how Web conferencing software will translate into X amount of increased selling time for reps and Y amount of increased revenue. The same rep can use the VA tool with a CMO to illustrate a lower cost per lead acquired at a virtual event, the ability to run more programs and the subsequent pipeline that will be generated. With a CFO, the rep can use the tool to show the prospective savings on travel spend. Units of value can be customized by industry (to align with standard metrics) and company as well as buyer personas.
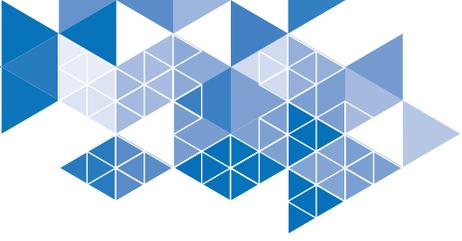
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Getting Started With VA Tools

VA tools force marketing and sales organizations to think differently about how they create value-based messaging around their offerings. Keep the following considerations in mind when working with a VA tool provider for the first time:

- **Get aligned.** Use the deployment of a VA tool as an opportunity to foster collaboration across marketing and sales. Assemble a cross-functional team from product marketing, demand creation, sales training, sales operations, sales enablement and sales management to participate in the tool selection and tool-building process.

- **Run a brainstorming session.** After selecting the product or service whose value will be actualized, run a brainstorming session by first listing all of the product/solution's features and benefits. Next, select specific types of customers (typically by industry) and define the buying roles and personas who typically play a role in the decision process. Brainstorm the value that each feature and benefit provides, capturing the type of value that will resonate with each buyer.

- **Quantify the value.** Assign a specific currency amount to the units being measured for each buyer. What does a square foot of office real estate cost? What does an extra hour of productivity per employee per month contribute to the bottom line?

Beyond Spreadsheets

Any marketing and sales organization looking to quantify and demonstrate value throughout the customer lifecycle can benefit from VA tools. These applications can be used to substantiate value not only to new prospects, but also to existing customers considering a subscription renewal or additional purchase. Many organizations have sought to address these needs by feeding buyer data gathered by reps into homegrown, spreadsheet-based ROI/TCO calculators. While this is a good way to start, VA tools offer several capabilities beyond the scope of a spreadsheet:

- **Better control.** For a manager with a sales force of 250 reps, maintaining version control with a spreadsheet-based tool is difficult at best. Because VA tools are SaaS-based, changes can be quickly applied throughout the sales force, which makes maintaining and deploying multiple calculators easier. Also, reps can be prevented from making unauthorized changes to the calculators.

- **Better interface.** Spreadsheets deliver static numbers; VA tools deliver dynamic, visually compelling reports. In some cases, a link can be sent to buyers, enabling them to manipulate the data entered for the calculation to create "what-if" scenarios.

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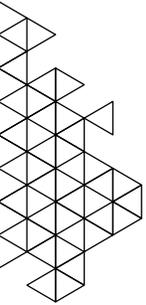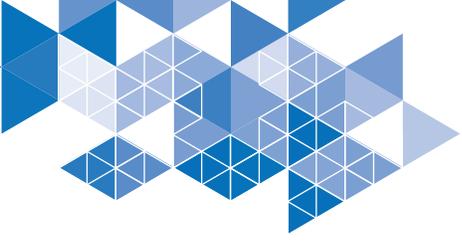
- **SFA integration.** VA tools can be integrated into sales force automation systems so that buyer data entered into the tool can be displayed in lead or opportunity management modules. This creates a record for reps to access, and allows easier information sharing across the sales team.

- **Data analysis.** Information captured by VA tools can be collected across marketing and sales and analyzed for compelling trends. This is particularly valuable for product marketers, who can collect real-time data on value propositions resonating with buyers and use this insight to fine-tune the enablement content they create for sales.

The Sirius Decision

Despite the positives outlined above, there are a few words of caution for organizations considering the adoption of VA tools as well. By quantifying the value an offering can deliver, expectations are set during the sales process along with an implicit or explicit promise to deliver on them. However, the ability to realize the promised value may depend heavily on the customer. For example, a personal trainer can project the amount of weight a client will lose by following a prescribed diet and exercise regimen. But if the client begins each day by scarfing down a few unauthorized doughnuts, actual results will likely vary. In laying out contracts and implementation plans, clearly indicate what will be required from the customer to achieve expected results, especially if payment terms include performance incentives.