The Alinean Value Matrix™ Methodology is designed to help you quickly evolve from product pitches to more effective value marketing and selling.

The methodology focuses not just on quantifying your value, but improving the ability for you to better articulate the unique value of your products / services, and make it more memorable and credible. **The methodology consists of five key elements:**

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These elements are uniquely developed in collaboration with your team to create a complete Value Matrix™ guide, containing each element, and used to provide the foundation for your value marketing and selling programs.
Value Storytelling: Pathos, Logos and Ethos

Your sales and marketing investments are intended to persuade and move buyers to action. However, close to 60% of your pipeline is likely not moving towards closure, instead stalled at “Do Nothing”. (Sales Benchmark Index)

With this “Do More with Less” economy where frugal buyers reign, the majority of your prospects are choosing to remain with their legacy practices and solutions versus saying “Yes” to your proposal.

So what can you do to ignite buyers to take action?

The ancient Greek philosopher Aristotle documented the perfect way to ignite buyer interest and drive quicker purchase decisions over 2,300 years ago. The secret lies with telling a complete and comprehensive story with Pathos, Logos, and Ethos:

- **Pathos** – appeal to the emotions. To make a more emotionally charged impression, communicate your value in a story, and utilize visuals to make the story more memorable. Show contrast, painting a picture between business-as-usual and proposed improvements.

- **Logos** – appeal to logic and reason. Quantify the pains and risks of the status quo, such as the “cost of doing nothing”. Address the strategic and financial benefits that can be gained, including the ROI, key performance metrics and quantified improvements within reach. Provide financial justification and make it personal, relevant and specific.

- **Ethos** – appeal to credibility. Provide evidence to prove that the benefits are tangible and achievable. Include 3rd party validation of data and success stories including video testimonials and case studies. Document the tangible financial benefits, ROI and payback achieved by others who are just like the prospect.

Aristotle and the Brain

Although Aristotle had no inkling of modern neuroscience, his insights on how to win friends and influence people startlingly matches our current understanding of the brain and how it takes three key elements to get to “Yes”, mapped to the three parts of the brain:

**LOGOS AND THE NEW BRAIN**
The neo-cortex is often referred to as the New Brain. In evolutionary terms, it was the latest to develop. This part of the brain is responsible for thinking and processing rational information such as financial justification / ROI.

**PATHOS AND THE REPTILIAN BRAIN**
The most ancient part of the brain in evolutionary terms, the Reptilian Brain is responsible for survival. It responds to visual stimulation, storytelling and contrast, and stimulates whether you pay attention / remember.

**ETHOS AND THE MIDDLE BRAIN**
The middle part of the brain is where “gut feelings” come from. Providing evidence and proof points is essential to this part of the brain - creating a fuzzy / warm feeling to make decisions.

Persuasive sales and marketing needs to challenge current thinking, convincing buyers to abandon the status quo and take action on your proposal. In order to do the convincing, you should follow Aristotle and neuroscience – delivering a combination of emotion, logic, and credibility – Pathos, Logos and Ethos is the guide.
Value Messaging: CLOSE the Value Gap

Today’s buyer is more empowered, skeptical and frugal than ever before— a condition called Frugalnomics. This new breed of buyer doesn’t care about when you were founded, how many customers you have, how quickly you are growing or about your latest product release and new features. They want to know exactly how you can help them solve their particular challenges, and the bottom-line impact you can deliver. Today, it’s all about the Benjamins.

At the same time, sales and marketing hasn’t evolved quickly enough to keep pace with a changed buyer.

Look at the typical white paper, prospecting email or PowerPoint deck and it’s all about the company, products, features and price and little about the prospect’s unique challenges and value potential.

You are not alone in these observations:

• A meager 10% of buyers report that sales reps are value-focused, with most still using a less than effective product pitch approach (Forrester).

• Solution provider executives report that the #1 issue for revenue growth shortfalls is not a lack of adequate sales training, product mix or social selling skills, but the inability for sales to articulate value (SiriusDecisions).

This is the Value Gap— the current divide between buyer expectations versus a traditional sales and marketing approach, and it is having a serious impact on your revenue growth, with more stalled deals, longer sales cycles and more discounting.

If you want to address this challenge, the key is to evolve the customer conversation from product pitch to value. The good news: a simple conversation guide can be used to map the evolution, and immediately help you improve your value articulation and sales effectiveness – helping you to close the Value Gap.

The CLOSE™ Conversation Guide is a storytelling technique, containing the right balance of:

• Emotion – to make sure that your message is memorable and impactful.

• Rational – to provide the financial justification so important in today’s committee based economic decisions.

• Evidence - providing the proof points that the solution has delivered for others just like your prospect.
The Alinean Value Matrix Methodology

The CLOSE Conversation Guide

The CLOSE Conversation Guide is a framework to help you formulate and arrange the five key elements of your value proposition so it can be effectively articulated, in the right order for proven best effect: Challenge, Loss, Opportunity, Solution, Evidence.

The framework was designed to help you develop the right conversation elements and articulate the value story elements in sequential order to communicate your value story.

Let’s take a look at each of the five elements of the CLOSE Conversation Guide and you will see how it can help you to develop and communicate your unique value story:

**CHALLENGE**

**What challenges can you help prospects tackle?**

1. Help uncover challenges that the buyer may not realize they have or help the prospect understand the implications of known challenges that may not yet be a priority.

2. Illustrate the seriousness of the challenge with compelling commercial insights as to how prevalent the issue is, and what it costs an average company if the issue is ignored.

3. Communicate ways that the challenge typically manifests itself (at other customers you have worked with) – painting a picture of a day in the life under business as usual / status quo.

**LOSS**

**What are the challenges currently costing?**

1. Quantify the specific “Cost of Do Nothing” for the prospect – exactly what maintaining business as usual / the status quo is costing the organization.

2. Tally the current “do nothing” costs as:
   - Unnecessary expenses
   - Lost productivity / Inefficient or error prone processes
   - Potential risks and risk related losses
   - Lost revenue and growth opportunities

**OPPORTUNITY**

**What is the value of addressing the challenge?**

1. Communicate the potential business benefits of solving the issue outlined in the challenge.

2. Tally the impact to specific business metrics – value drivers.

3. Quantify the results of affecting the business metrics using the Value Map™:
   - Cost savings / avoidance
   - Improved productivity / business processes
   - Reduced risks
   - Improved revenue growth

**SOLUTION**

**What solution can deliver these business benefits?**

1. Document the specific solutions, which can be used to address the particular prospect challenges and deliver the proposed business benefits.

2. Communicate the specific differentiating components of the solution and features, which can impact the value drivers and result in significant business benefits – proving how the value is uniquely delivered.

**EVIDENCE**

**How can I be assured that the proposed solution can deliver?**

1. Validate how the proposed solutions have been successfully used by other prospects just like them, and the tangible business and personal value they achieved.

2. Quantify specific customer benefits, tallying specific KPI impacts, financial business benefits and ROI.

3. Filter the evidence by industry, size and role to better resonate with prospects, so prospects know the benefits were achieved by prospects just like them, and via transference, can see themselves reaping similar business and personal rewards.
Value Differentiation: Challenge Centric

With all the choices available to buyers, it is important to communicate how your solution is unique. Many times, when organizations try to articulate the differentiating value of their solutions, they start with a “solutions first approach”, communicating each feature they perceive as a differentiator.

Product / service differentiators are fleeting, especially today where new product launches are faster than ever before and solutions are quickly commoditized. (SiriusDecisions).

* A whopping 76% of the deals don’t go to the company that wins the competitive bake-off, where features make a difference; rather **the win goes to the solution provider who engages early** to help the buyer establish the buying agenda (Forrester).

The buyer doesn’t really care about your solution and how different you perceive it to be until they recognize they have a serious enough challenge to address, and that the challenge is a top priority.

In order to navigate the decision making process, the buyer needs to understand “Why consider a change?” and “Why do so now?”, way before “Why your solution?”. Unfortunately most marketing collateral and sales conversations do not start with the buyer and their challenges. Instead, the conversation starts with how great the solution provider is, and a vendor-centric view of the proposed solution, services, and features.

The Cost of a Solution Focused Approach

If you are taking a similar solution focused approach, you are probably engaging later and later in the decision making process. This is likely because your marketing content and sales conversations are solution centric, and resonate with prospects when they already know they need a solution.

**This solution focused approach means:**

* **Lower win rates**, because you are engaging well after the buyer or another solution provider has established the buying criteria and framed the decision in their favor. Research indicates that this is all too common; with nearly two-thirds of the decision making process complete before sales reps are engaged (CEB).

* **More stalled deals and longer sales cycles**, because you are not engaging provocatively to help identify the prospect’s issues and ignite the desire to change. Up to 58% of a typical pipeline is stalled at “Do Nothing” as a result.

* **More discounting**, because your conversations are all about the solution, features and price. IDC indicates that discounts have grown to at least 20%, and we see many clients where **50% or higher discounts are the norm**. Engage too late and price may be the only differentiator there is.

A solution focused approach could be costing you big, as much as $30 million for every $50 million in quota.
A Challenge Centric Approach

What if you could find a better way to articulate your value, leveraging a method that helps you engage earlier, igniting interest and accelerating the buying decision in your favor?

We recommend starting the conversation, not with how different your company and solutions are, but with the buyer’s challenges.

A challenge centric approach promotes collaboration with your buyer, a consultative conversation, focusing first on:

1. The buyer’s challenges, aligned to each decision maker you engage with because each role has different issues that are most important to them (role centric challenges).

2. The pain points these challenges are causing for each decision maker, identifying the specific key performance indicators (KPIs) affected and how these compare to peer benchmarks.

3. The cost of “do nothing”, financially quantifying how the challenge has led to overspending, productivity losses, process inefficiencies, business risk or revenue shortfalls / lost opportunities (see the Value Map).

These challenges are not random, but focused specifically on those issues your solution can best address – so that the conversation stays relevant to the ultimate goal – a solution sale. And to this point, the conversation doesn’t stop at the challenge.

Once the “cost of do nothing” is tallied personally for the prospect, and they understand the priority of addressing the challenge, the solution and differentiating features are presented – those specifically which can best help the buyer address each challenge.

From the solution, key improvements are agreed upon and the tangible benefits tallied.

The key is to not present your solution and features too early. You should wait until after you have helped the buyer realize they have an important enough challenge to address and that the challenge has a significant and tangible impact before discussing what makes you better and different.

At this point, the intersection of buyer challenges and solution differentiators, your unique value is effectively communicated and quantified.

Using a challenge centric approach, key questions the prospects requires to advance the decision making process will be answered in compelling and memorable fashion:

**Why consider a change?** – Because you helped identify my current challenges and illuminated specific pain points that require attention

**Why do so now?** – Because you helped me quantify that “do nothing” has a tangible and substantial cost, making the challenge a top priority

**Why your solution?** – Because I understand how the differentiating features of your solution align with my top priority challenges, and you helped me quantify the savings / business benefits that you can deliver.
Content Development and a Challenge Centric Approach

If you want your marketing content and sales reps / channel partners to speak to the unique value of your solution, content must be developed to help guide the engagement / conversation with a challenge centric approach.

As such, it is important that you formulate your content in a similar challenge centric fashion, taking an “outside in” approach, versus a more traditional self-centered tack.

The content that fuels prospect engagements and sales conversations should not be developed by first discussing how great all the key solution features are. Instead, the content should be developed starting with the buyer, the specific challenges they face, and what “do nothing” is costing them every day.

In this manner, the most impactful value messaging, insights and justification can be formulated and leveraged as value-added marketing content and fuel for provocative and impactful sales conversations.

Value Quantification: The Value Map™

Are your sales and channel reps struggling to effectively communicate the unique value of your solutions to prospects? If you answered “Yes”, you are not alone.

While buyers are scrutinizing proposals with a keen eye on value / ROI, the average rep still reverts to a less than effective product centric sales pitch – focusing on your product, features and price vs. the buyer challenges and the differentiated value you can deliver in helping overcome these challenges.

The Value Gap – an inability for sales reps to effectively communicate value – is the top issue for B2B solution providers and indicated as such by a whopping 71% of execs in a recent SiriusDecisions survey. This is the 4th straight year that the Value Gap has been named as the top issue, making it an absolute imperative to put more time and effort into addressing this challenge.

In order to “Mind the Value Gap”, it is essential that marketing and sales develop and deliver the right value messaging and quantification – guiding sales reps to better articulate the benefits you can uniquely deliver, as well as personally quantifying what the “cost of do nothing” and benefits mean to individual prospects. One-size-fits-all value communications don’t cut it anymore.
More Effective Value Messaging, Communication and Quantification

So how do you develop effective value messaging and quantification that will be memorable and impactful on buyer purchase decisions AND that are sales ready?

Unfortunately, most value messaging development efforts take a decidedly product-centric view of the derived benefits vs. customer perspective, and most efforts flat out miss key benefits that are important to specific stakeholders.

**Value Map™**

It is important to have a framework to help your team derive the best differentiating benefits. One element of this framework is the Value Map, guiding the team to think about and categorize the benefits in customer-centric terms – around the challenges they are looking to solve and business benefits that are derived.

We find that in most cases, the challenges and subsequent derived benefits can be grouped into four different categories of the Value Map: Risk Avoidance, Revenue Growth, Cost Savings/Avoidance and Productivity/Process Improvements.

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**Cost Savings / Avoidance**

How your solution can help reduce specific capital or operating expenses, or potentially avoid future purchases (not including labor or process related expenses).

**Some examples:**
- Reduce a business expense, such as travel, telecommunication fees, printing or office space requirements
- Reduce annual shipping costs
- Cut the cost of goods sold (COGS)
- Reduce inventory and carry costs
- Consolidate several legacy solutions to eliminate annual maintenance and support agreements
- Avoid a mandatory and expensive data center upgrade needed for the new fiscal year

**Productivity / Process Improvements**

How your solution can improve the productivity of specific workers, helping to reduce the time spent on inefficient tasks or decrease the skill level of resource required, or scale and streamline a process workflow, helping to eliminate steps or errors while improving process effectiveness and efficiency.

**Some examples:**
- Automate manual steps in a business process
- Eliminate error handling in a business process and the lost productivity spent handling these errors / issues
- Avoid wasted time users spend gaining access to business systems and data
- Reduce the time it takes to set up and deliver an application test or production infrastructure.
- Eliminate the number of escalated service desk calls
- Reduce time to productivity for new hires
- Reduce shipping errors and the customer service time required to reconcile the error.
- Improve the change management process to reduce the percent of failed changes and the cost of failed changes and rework
**Risk Avoidance**
Reducing or avoiding business risks, the chance that something bad will happen to the organization, and reducing the costs should the risk be realized.

**Some examples:**
- Increase compliance with SLA’s and reduce non-performance penalties and late charges
- Avoid corrective cost to repair damage to business reputation and recovery operations as a result of a security breach
- Improve agility to easily and quickly revoke specific user access rights to data, applications and assets to prevent unintended use or intentional abuse
- Reduce the chances that the company will fail an audit or not comply with Sarbanes-Oxley internal controls or other required compliance regulations.
- Reduce the risks of legal fees, penalties and fines to address issues found in a failed compliance audit
- Reduce the risk of data theft and subsequent damage from record / IP disclosures
- Reduce the chances for a system downtime event (outage)
- Reduce the potential scope of the number of users, business processes and applications affected should a system outage occur.
- Improving the ability to detect and resolve incidents proactively, which results in lower downtime to the business and higher availability of services

**Revenue Growth**
Capturing revenue opportunities or avoiding potential revenue losses / challenges.

**Some examples:**
- Reduce out-of-stock inventory and supplies when needed and the adverse effect on production, shipments and revenue recognition
- Accelerate product design, development and test / certification for faster time to market; shift scarce resources from operations support to innovation and revenue generation
- Reduce discounting
- Accelerate sales cycles
- Improve sales quota performance and new sales rep on-boarding
- Generate more better leads and sales opportunities
- Improve competitive win rates
- Reduce customer churn / losses

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**Organizing into relevant Quadrants**
To help the team align with buyer challenges and prioritize the communications of these benefits, each can be organized into quadrants by examining buyer’s typical perspective on the value that each category represents, on a scale measured by:

**Strategic vs. Tactical Benefits**
Strategic Benefits are usually aligned with creating and driving larger, longer-term business goals and what higher level executives tend to care more about, while Tactical Benefits are more aligned with executing specific improvement plans, and tend to relate more to practitioners.

Typically, Cost Savings and Risk Avoidance are more Tactical, while Productivity / Process Improvements and Revenue Growth are more Strategic.

**Direct (hard) vs. Indirect (soft) Benefits**
Direct (hard) Benefits tend to be derived from a straighter path from implementing the solution to deriving the savings / business benefit and more readily measured as a causal effect, while Indirect (soft) Benefits occur as a second / third order effect of the solution, with several non-direct steps from solution to derived benefits.

Typically, Cost Savings and Productivity / Process Improvements are more Direct (hard) Benefits, while Risk Avoidance and Revenue Growth are more Indirect (soft) Benefits.
Tailoring to Stakeholders

To properly populate the benefits, the Value Map should be uniquely tailored for each of three potential stakeholders (or perhaps more based on who the decision makers are that are involved in evaluating and approving your proposals) – essentially creating multiple Map views, pivoting which value to articulate depending on which stakeholders are being engaged. The minimum set of stakeholders to consider include:

TECHNICAL
Focused on the infrastructure / foundation needed to deliver solutions to the business, with an eye on Total Cost of Ownership (TCO) and cost savings, as well as risk (downtime, security, delivery).

BUSINESS
Focused on key business unit metrics for productivity and process, managing business risks (legal / compliance) and revenue growth.

FINANCIAL
An executive focus with an eye towards growing the business and revenue, and bottom-line impact.

With such a Value Map developed for your solution, with the proper value messaging and quantification tied to each, you can enhance your marketing content and arm your sales / partner reps to deliver a more personalized and effective value conversation.
Facilitate the Buyer’s Journey

As your prospects begin and advance through their purchase decision making, at each stage of the process they have different motivation and need progressive guidance to advance through each step. Fail to provide that guidance and the purchase decision likely stalls (where 50% of the deals end up according to Sales Benchmark Index) or the decision goes to your competitor who does a better job at facilitating the buying decision.

With today’s new breed of buyer, it is vital to not just pitch products, but facilitate the buyer’s journey: sequentially delivering the provocative messaging, insights, financial justification and differentiation to advance from “Do Nothing” to “Yes”.

To be successful, you need to have the right conversation and deliver the right content depending on the buyer journey stage, in order to help buyer’s overcome their fears and motivate a more timely and positive purchase decision. Your value messaging, tools and training all need to be designed to facilitate the right conversations based on the stage of the buyer’s journey:

IDEAS PHASE

Early in the decision making process, buyers may not be aware of important challenges they need to address, or if aware, may not be setting the proper priority on known issues.

During the Ideas phase, it is not about the benefits or superiority of your solution, after all the buyer may not even be aware they have an issue worth addressing.

Instead, the buying decision centers on illuminating the challenges the buyer has, and quantifying what these issues are costing the buyer each and every day.

At this early stage it is most important to help buyer’s identify and diagnose issues, just like a doctor would, and then Quantify the Pain, tallying the cost of “Do Nothing” - staying with business-as-usual / status quo, helping to make the challenges you can address a top priority in the buyer’s mind.

EXPLORATION AND EVALUATION

In the middle stages of the buyer’s journey, your prospects are starting the search to see if solutions are available that can solve their most pressing challenges. They are also looking to overcome serious doubts, seeking validation that the solutions can indeed solve the issue and deliver tangible business benefits at low risk.
At this middle stage in the buyer’s journey, it is most important to **Justify the Gain**, proving to the buyer that your solution can solve their priority challenges, proving that you can help reduce costs, improve productivity, streamline processes, mitigate risks and drive incremental revenue.

Credibility is suspect at this phase, making it imperative you not only quantify the business value you can deliver, but provide significant evidence via success stories that other’s just like the buyer have achieved these gains.

**Selection**

In the final stages of the buyer’s journey, the prospect knows they want to address the challenges, but they usually have many choices as to which vendor to go with. At this phase, the buyer compares and contrasts various vendors and solutions, deciding who wins the “bake-off”.

At this stage you have to **Prove you are Not the Same**: quantifying that you have a lower Total Cost of Ownership (TCO) – that you will be less expensive over the full lifecycle – and deliver superior ROI with less risk.

Of course, if you engaged with the buyer early, and helped facilitate the early stages of the decision cycle, you have likely created a superior customer experience, are viewed as more consultative and are by default most differentiated. According to Forrester, 76% of the deals go to the solution provider who can help the prospect establish the buying vision, versus only 24% for the vendor who wins the bake-off.

The research clearly indicates that better differentiation and improved competitive win rates rely on advancing from pitching products to selling with value – engaging earlier with a more provocative / diagnostic approach, and having the right conversation fuel and content to help facilitate decision making at each stage of the buyer’s journey.

Better differentiation and improved competitive win rates rely on advancing from pitching products to **selling with value**.
Value Matrix — Your Value Illuminated

Alinean’s Value Matrix™ is designed to present your value messaging and quantification in a concise format, which can be used as the foundation to build sales and marketing content and tools.

The Value Matrix leverages the wisdom of Aristotle’s storytelling, the CLOSE conversation guide, Challenge Centric messaging and the Value Map to create a roadmap of the value messaging, insights and quantification to best use in different marketing / selling scenarios.

The Value Matrix starts by documenting the Challenges most relevant to each Role the services / solution is targeting, and the Losses prospects experience as a result of these Challenges not being resolved (the cost of “Do Nothing”).

Next, for each Challenge, the Value Matrix documents the relevant services / solutions and differentiating features, quantifying how these drive tangible business benefits.

A value calculator is included for each Challenge, documenting the “do nothing” costs and tangible benefits derived from proposed services / solutions.

Finally, evidence is correlated and documented to verify how others used the proposed services / solutions to obtain similar benefits. The evidence section lists relevant case studies, success stories and proof point results.

Schedule a Value Review
Visit alinean.com to learn more and schedule a Value Review

Explore the Value Matrix
Learn more about the methodology and deliverable

Explore Our Customer Showcase
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