THE VALUE PROPOSITION - THE ING.BS1.VAL MODEL
BASED ON THE BLUE OCEAN STRATEGY

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Abstract. The Value Proposition is the heart of any Marketing Strategy, because it guides the company towards the Clients influencing strongly the formulation of Corporate and Business Strategy. InG.Bs1.val is a Management Model inserted into an office software program that incorporates Strategic Marketing concepts and a particular measurement scheme. This one helps the analysis of a specific situation to support the design of a Value Proposition for a Product or Service, in a given market segment, in a given time, individually and collectively, on professional, academic and corporate exercises and, finally, helping in design of the Corporate Marketing Strategy. The model uses CmapTools and other resources to facilitate the understanding of the academic methodology and provides exercises supporting documentation and a demo of the software, for understanding and evaluating the model.

1 Introduction. The Value Proposition: A Strategic Approach

The strategy requires considering the philosophical, ideological and functional company values, together with the social economic reality and their relevancies to the organization, for short, middle and long term. To tackle the issue from this perspective, it is useful to define the organization principles: mission, vision, values and style. The Mission is the raison d’être of an organization - something like its genetic code. The Vision describes a desired result, expected in future. The Values are what guide the entity as a whole: human, professional, social, geo-political values, and so on. Style is the organization’s own particular way of thinking and acting.

An innovative and bold vision can be more easily converted into reality if it’s accompanied by a Strategic Approach based on a particular Client-focused Value Proposition. If a company neglects defining their Value proposition, it will find that its strategies are not working because there is no clarity about what their Clients want or how the Company’s strategy differs from its competitors.

The Value Proposition is the heart of the Marketing Strategy because it guides the company towards the Clients, influencing strongly the Company’s Corporate and Business Strategy formulation.

2 The InG.Bs1.val Model

InG.Bs1.val is a Management Model. The model incorporates concepts of Strategic Marketing, as well as a methodology for conducting a measurement in an analysis exercise for a specific situation, in order to design, pragmatically and quickly, the Value Proposition for a product or service in ONE (segment of) market, in A given time.

The Value Proposition is designed by focusing clients, face to the main competitors, in terms of functional and emotional components, arising from the purchase or use of the product or service, isolating them by features, and underlying benefits, to define the Value Elements of the product or service. The Value Elements are then measured in an empirical way, from different perspectives based on the numeric scale of the model.

The exercise is conducted in three sessions, each one with four steps. In numerical and graphical forms, the model presents the “Value Profiles” of the Product or Service, in real scenarios, challenged versus key competitors and the company’s strategic priority. The graphic analysis of the Value Elements facilitates the understanding and re-valuation of the exercise. The judicious assessment of all profiles facilitates the identification of benefits that are representative and overt for clients. The analyst can translate them, element by element, in promises and action initiatives. Finally he or she assesses the reasons that the client has to believe in the Product or Service and/or the company, defining the “dramatic difference” in the market, to summarize the new value proposition for the Product or Service. The following charts show the help and control windows, as selected windows from sessions 1, 2 and 3.

\[1\] W. Chan Kim and R. Mauborgne. 2004
\[2\] Robert S. Kaplan, David Norton. 1996
Session 1.3 Value Elements. Strategic Importance

Session 2.3 Measurement of the situation face to Real Competitor 2

Session 3.2 Chart Analysis for one Value Element

Session 3.4 Promises and Initiatives.

Session 3.4 New Value Proposition
The exercises can be individual or collective. Collective Exercise has an academic, theoretical and practical approach. The Facilitator has available tools to promote the program and to drive and control the Team Strategic Design Exercise, helped with software. After the introductory session, he or she provides a copy of software to all participants, with data, so they perform the rest of the exercise on an individual basis. The Value Proposition is consolidated based on the individual exercises, which are processed with software, and on the discussion of case with participants.

3 The Model In Concept Maps

The InG.Bs1.val academic program is structured in CmapTools (Cañas et al., 2004) and is supported by other resources to facilitate understanding of methodologies and exercises. The CmapTools model can be used to guide the academic program, obtain support documents and to understand and evaluate staffing software. The next concept map describes the model.
4 Summary

The strategy requires considering the philosophical, ideological, economic and functional values, as well as the current reality of the organization. An innovative and bold vision can be more easily converted into reality if it’s accomplished in a Strategic Approach, based on a particular Client-focused Value Proposition, as well as on an efficient and well-aligned implementation process. InG.Bs1.val is a Management Model incorporated into an office software program that includes concepts of Strategic Marketing and a measurement scheme to analyze a specific situation, to design a new Value Proposition for: a Product or Service, in a given market segment, in a given time, individually and collectively, on the professional, academic and corporate exercises. The academic model uses CmapTools and other resources to facilitate the understanding of methodology and exercises. Supporting documentation to evaluate the model and the exercise, are included with the demo software.

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References


