

Working the Value Formula

$$\text{VALUE} = \frac{\text{Solution}}{\text{Price}} * \text{Relationship}$$

The formula elements in detail:

- Solution = Functions & Features that matter (i.e. benefits) for the Needs of my client
- Price = price in Money, Effort and Time
- Relationship = successful efforts that show 'I care about and like you (my client)'.

14 step Value Improvement Identification exercise

Let's start with the Solution part of the Value Formula

1. list all the needs of your client
2. verify with your client if this list is true
3. list all the functions and features that lead to Benefits that fulfill a need of your client
 - a. you don't need the remaining ones
4. set them in order of impact (functions are worth more than features) for your client
5. check for 'half time' functions and features (things that 'degrade' in value for your clients, for example, the same piece of knowledge)
 - a. Half time of benefits is the 2nd most important reason businesses lose clients!
6. Decide where you can do a better job, either by adding functions and features or improving on them
 - a. If possible, compare with competitors
 - b. What would adding or improving cost? Would that be worth it?

Next part, the 'Price' part of the Value Formula

7. How does your price (the money amount) compare to competitors
 - a. Has the market changed?
8. The 'Effort' side is energy (it is complicated or awkward). Define the effort side. How complicated, awkward, what fears or frustrations play a role?
9. What can you do to simplify or make less awkward or fearful?
10. What can address the Time part of the price? Speed it up or communicate better?

Last part, the 'Relation' part of the Value Formula. Relation is about the amount you connect and build trust with your clients, where you show: I care about you, not just your money.

11. Make a list of things that currently affect the relationship in a negative, uncaring way
12. Make a list of things that could increase the relationship in a positive way; i.e. things that say 'I care about you, I like you'.
13. Try to quantify the above. How do you know the effort level of the relationship, and how much does your client respond?
14. Finally, verify: in the clients communication, such as testimonials, which side of the value formula are they talking the most about. What does that say?