

The Business Value of "Values"



"I can find value everywhere, but can't find values anywhere."¹

That customer complaint exposes today's competitive edge in business: to the degree that we fit our offering to our customers' values, they will reward us with their purchases.

"What's your business? Who's your customer? What do they value?"—Peter Drucker

Even if most businesses could answer the first two of Drucker's questions, they would founder on the third. Why? Because it's one thing to compete on "value", and another to compete on "values".

A good dictionary² can help clear up the confusion. "Value" can mean:"

An amount, as of goods, services, or money, considered to be a fair and suitable equivalent for something else; a fair price or return."

Now look at the definition of "values":

"A principle, standard, or quality considered worthwhile or desirable."

Note the key differences:

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| Value <i>amount</i> | VS versus | Values <i>principle, standard or quality</i> |
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| } Considered to be a fair and suitable equivalent for something else; a fair price or return | } versus | } considered worthwhile or desirable. |
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Everyone competes on the first definition of value—on bang for the buck, on price for performance, on the monitorable, measurable and equivalent. The effect of competition is to drive price down and quality up.

The second definition, on the other hand, is about a right fit. Values are beyond money, even when we're talking about price. Values—such as trustworthiness, responsiveness, doing "extra"—mark positive human interactions and show respect for

customers. To compete on values is to align with your customers so closely that they will *prefer* or even *seek* your offering because you "get" them.

This requires a customer-centric focus, rare to many companies. But if you force the customer to play by your rules, you've already predicted the end of the game—and you lose. When was the last time you asked your customers how they felt about your product or service? Does the means of access to your offering bring ease or clutter into their lives? How do they feel about themselves as a result of contact with you? Was it a good experience? Was it a right fit?

Here's a good example. A client asked us to survey their customers to look for additional business opportunities. (Now, a third party will often discover values unexpressed in the most intimate relationships, and that was true here.) One customer mentioned how much easier their work flow would be if our client put a full-time engineer on the customer's site. It wasn't a novel idea: our client had offered it before, but had been rejected, so they never mentioned it again. After receiving this request through us, our client (frustrated a bit by the flip-flop) made the offer again, installed the engineer, and the customer responded soon thereafter by awarding our client a new multi-million dollar contract. The customer had changed. And by listening and responding to their customer's changed values, our client was rewarded with new value.

Is your company competing on value or values? To continue this conversation, give us a call or send an email to questions@beckettadvisors.com.

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¹ The Myth of Excellence, Crawford and Mathews, Crown Business, 2001

² The American Heritage® Dictionary of the English Language, Fourth Edition. Houghton Mifflin Company, 2000.