

# Preparing a *Value Selling* Presentation Using the *Problem-Solution-Value* Approach

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## At a Glance

- The “problem” is your statement of the business issues and initiatives that are important to the prospect.
- The C-level prospect doesn’t want to learn anything about your solution except that a solution to their business problem is recognized and available.
- The value must be the point when you drive home the business case and link the value to the solution and the original problem.

**The material** you are about to read could result in benefits thousands of times over. The reason is that you are getting expert advice from someone who has done hundreds of presentations to buying prospects. Better yet I’ve seen hundreds more and know what works. The advice you receive here is simple and to the point and can be implemented immediately in your presentations today.

Presentations don’t sell. You do the selling by using the presentation as a structure around which you present your business case. Looking at presentations

as structures is very useful – what do your structures convey to your prospect? Are they grand and majestic like a mighty mountain? Can they cause a person to stand in awe as if you were staring up at an imposing skyscraper?..... Or are they like a shanty in the poorest part of town in a third world country?

The structure is crucial to convey the importance and gravity of what you are presenting. I'm not talking about pretty colors and graphics. I'm talking about content. A shanty structure presented to a high level executive fails immediately. You want your prospect to come to your mountain and stand in awe at it's clarity, power and beauty. Your prospect should say "Wow! Why haven't we done this already?" One reaction I received from the President of a \$2 billion division of a large business was simply "We need to do this now!"

I'm not here to tell you that you need an agenda and to close with a "next steps" slide. You do need to do these things--but, my advice gets right to the core approach that will increase your sales, decrease your sales cycle times, and allow you to increase the price of your product. This advice can apply to anything you sell whether it be a project, a product or your next promotion.

All great presentations follow this structure: the problem, solution, value format. Number 1: problem, number 2: solution and number 3: value. All these must be presented in 1-2 slides for each area- 1-2 slides for the problem, 1-2 slides for the solution and 1-2 slides for the value. Back up material is fine but 3-6 slides for the main points is crucial.

"The problem" is your statement of the business issues and initiatives that are important to the prospect. Sometimes you can obtain this information from public and your own sources. Many times you must get this information by interviewing the prospect prior to your sales presentation. You may only have ½ to 1 hour with an executive. You must be prepared for this interview with relevant research and questions – if you fail to impress your prospect in the interview you will probably not be invited back to present. In the presentation of the problem you need to have the prospect come away with a firm sense that you are very interested in his business and that you understand his business. The key issues and initiatives that are important to the prospect will open the door to presenting your solution.

"The solution" is a point where many people make errors. This is because they do not understand that the solution must be in terms that the prospect understands and must be generic. By generic I mean to avoid getting too specific teaching the prospect the names of your products. Most people fail here by beginning to present a too detailed solution using detail product names. The

prospect doesn't want to have to learn anything except that a solution to their business problem is recognized and available.

Now for "the value". Value is also an area where many errors are made. Value must again be in the terms that the prospect understands and is likely to buy off on. The biggest mistake people make is in throwing all possible value points at the prospect. This is good in that a lot of value is identified---but the act of providing many value points in fact degrades the overall believability of the value. You end up with much less perceived value and a confused prospect. The value must be the point when you drive home the business case and link the value to the solution and the original problem.

Value must be seen in terms of hard dollars and soft dollars. Soft dollar value can be productivity gains, decreased hours in an indirect function, and even inventory reductions. Inventory may or may not be important to a high level executive, and it generally is seen as a cash flow item.

Hard dollar value is value that reaches the bottom line profitability of a company. An example of this is direct material spend reduction in a manufacturing company. Just about every dollar of spend reduced reduces cost of goods sold and so increases profits. If the problem is that spend is too high, the solution might be to attack the unnecessary duplication in part numbers through a software solution that enables this. Same functional parts with different part numbers increases the suppliers you have to deal with. Reduction in duplication and reduction in suppliers enables volume buys with decreases in price. The final value is spend reduction that directly relates to increased profits.

Hard dollar value is obviously better to present – in fact with hard dollar value in your presentation the "soft" dollar benefits increase your credibility. The ideal situation is when the prospect buys off on your hard dollars and starts telling you how important the soft dollars are.

The mere fact that you recognize "hard" versus "soft" dollars tells the executive that you are truly interested in making a meaningful impact on his business. In other words, an attitude of "let's work together to maximize the benefits" begins to emerge.

By including these three components in your presentations – problem, solution and value--- you will effectively offer a magnificent structure around which you can present your business case. Using this approach will cause you to focus on what is important in a short time frame – this is the only way to impress high level executives resulting in them saying "I should have done this already!"

I hope you gained valuable information from this material. This advice was short, sweet and focused. It is distilled from 20 years of experience. Part of that experience includes learning how to sell \$500,000 software packages for \$10 million using a value based approach. In other words, the value in the problem-solution-value format determines the price the prospect pays. I am sure that your investment will return thousands of times over if you apply these simple concepts to your presentations. It takes work, it takes thought and it takes diligent application of these principles to construct an awe inspiring presentation.

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