

Value Based Prospecting Questions

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Exploring A Value Based Price

We want to understand the client's business in order to propose a value based price. They might have sought us out because we're the best in our industry — but if their business objectives, measures of success, and their specific understanding of the qualitative value of the project don't match up with what we're able to provide, we'd be doing the client a disservice by presenting a proposal.

Understanding Business Objectives

First, you want to understand the business objectives behind the project. Sure, the client might want a new website, a logo, or brand, but, well, why do they want that?

As a consultant, your first step here is to understand the business objectives behind the project. What do they want to ac-

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Understanding Business Objectives

comply? What would the difference be if the project were successful? Why handle the project in this way?

Here are the questions that I ask my prospects as I'm qualifying them to work with me — and building towards a value based proposal.

- > What would you like to accomplish?
- > Ideally, how would conditions improve as a result of this project?
- > What would be the difference in the organization if you were successful?
- > If you had to set priorities now, what three things must be accomplished?
- > What precise aspects are most troubling to you?
- > What is the profitability improvement expected?

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With these questions, we're starting to explore the why behind their decision.

“What would you like to accomplish?” — Imagine this: a client has shown up on our (metaphorical) door-step and asked us to build them a website and how much it will cost. Our first step is to understand what the client is looking to accomplish.

When they show up they're saying “I need a website!” (e.g., “What they'd like to accomplish”). But, well, why do they think they need a website?

By taking your clients on a journey through these questions, you start to learn more about the specifics of their organization.

“Ideally, how would conditions improve as a result of this project?***** — If they had a new website, how would their conditions improve? What would they be able to achieve?

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Potentially, launching a new website would allow them to make more sales.

Okay, if you were able to increase your sales, what would you be able to achieve? (“We’d be able to hire three new employees and expand!”)

“What would be the difference in the organization if you were successful?” — The goal of the project might not just be “We need a new website.” The goal — and, well, the value of the project — comes from the difference that the organization will experience as a result of this project.

“If you had to set priorities now, what three things must be accomplished?” — This gives you insight into what, specifically, they need assistance with. Do they need help with Launching A New Website or do they need help deciding on a platform? The UI/UX? Or something else?

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“What precise aspects are most troubling to you?” — This helps you understand why they’re seeking out you and your expertise - and not handling the project in-house. Maybe they don’t have the technical knowledge necessary. Or perhaps they don’t have the time or resources.

“What is the profitability improvement expected?” starts to get you at the financial value of the project. Maybe the client runs an eCommerce website and it looking to see their conversion rate increase from 1% to 2%. Or perhaps they have an overall goal of growing their revenue by 25% this year. By understanding the profitability improvement the client is aiming for, you’re able to best judge how you can help their business grow — and begin to understand the value of the project to their business.

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Understanding Measures of Success

Understanding Measures of Success

Once you understand the business objectives behind the project, you want to understand how the client will measure the success of the project.

Here are the questions that I ask my prospects as I'm qualifying them to work with me — and trying to understand how they'd measure the success of working together:

- > How will you know when these objectives have been accomplished?
- > Who will be accountable for determining progress, and how will this person be held accountable?
- > What constitutes acceptable improvement? Ideal improvement?
- > Let's say this project is a huge home run. What would that look like?

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Understanding Measures of Success

With these questions, we're attempting to measure and understand how the client will know if the project is a success. It's one thing for you to 'ship' a website, but if the client's needs are actually deeper — 'increasing revenue' or 'updating their image to reflect the company of today' — the measures of success can differ dramatically from your early assumptions.

And in what should be shocking to absolutely no-one, the closer you are in alignment with the client's measures of success, the more apparent value you have to their firm, and the easier it will be for them to justify the value you present in your proposal.

Let's talk through each of these questions one by one:

“How will you know when these objectives have been accomplished?” — This question literally gives you the baseline for understanding how the client will know their business objectives (explored in the previous set of questions) have been ac-

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completed. In our example of the canonical website, the objectives might just be larger than ‘launch a website’ and likewise, the measures of success may be along the lines of ‘We see an increase in visitors’ or ‘We rank higher in Google for our keywords’.

“Who will be accountable for determining progress, and how will this person be held accountable?” — While this question is similar to identifying the primary decision maker (or ‘economic buyer’) for the project, what it really gets at is helping you better understand who ‘owns’ the success of the project and how that ownership affects what they value.

“What constitutes acceptable improvement? Ideal improvement?” — There’s a range of improvement available on any project. Acceptable improvement, to one client, may be ‘launching a website that reflects our modern image’ while ideal improvement may be ‘we start to receive sales inquiries

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through our website'. Knowing what constitutes acceptable and ideal improvement lets you better understand the value that you'll be contributing to the project.

“Let’s say this project is a huge home run. What would that look like?” — I love this question because it lets me know, in the client’s own words, what a great result of the project may look like. And often the result could be non-quantitative! I have a colleague who, when he asked a prospect this question, was told that a home run would be ‘enough additional revenue to pay for a birth for my boat at the yacht club’. With that information in mind, my colleague was able to anchor the value he was able to deliver to that quantitative goal.

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Establishing Quantitative and Qualitative Value

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There is more than one type of value. Quantitative value is, well, numeric. Sales, Return on Investment, Leads, or Revenue, etc. Qualitative value is a bit more squishy. Your image, your brand, the length and number of vacations you can take in a year are all aspects of qualitative value.

When you're focused on value based pricing and a value based proposal, part of your job is to understand both the quantitative and qualitative aspects of what the client wants to achieve. These are a handful of questions that I use to understand that aspect of value:

- > What if you did nothing? What would be the impact?
- > What if this project failed?
- > What does this project mean to you personally?

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Establishing Quantitative and Qualitative Value

- > How will this project affect performance?
- > How will this project affect image/reputation?

With these questions, we're trying to understand what the world would be like if the project didn't happen. We're asking the client to walk us through the scenarios where the project didn't start or failed to understand what the alternative to working together is.

Likewise, by asking what the project means to them and how the project will affect performance, image, and reputation, you understand more of the qualitative value behind the project.

Maybe the client is coming to you for a logo that, for whatever reason, will create no financial upside to the company.

However, to the client, the logo represent a huge change in the image and perception of their company and the value of the updated logo is immense. Maybe it's non-quantifiable, but by understanding the weight that the client places on that logo,

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Establishing Quantitative and Qualitative Value

you're better able to produce a value based proposal, instead of an hourly price quote.

Let's talk through each of these questions one by one:

“What if you did nothing? What would be the impact?” — This question allows you to see inside of the the mirrorworld of the clients mind. What do they fear will happen if they did nothing. Would the company collapse? Could they lose their job? Would sales decline? Would their bonus be at risk? Knowing what the prospect fears — and presenting your value as the reverse of those fears — will better allow you to understand the value inherent to the project.

“What if this project failed?” — Likewise, this helps the client paint a picture for you of what is at risk if the project fails. Will they lose their job? Could the company go bankrupt? Would it be a normal day? By understanding how the world will be impacted

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if the project fails, you'll be able to better understand the value you bring to the client.

“What does this project mean to you personally?” — Is this a pet or personal project? Is the project owner heavily invested in the success of the project? Does the project represent a bold, new direction for the company? The answer to this question contributes to your understand of the total value of the project, both quantitatively (“If we 2x sales, I get a boat!”) and qualitatively (“If we launch this website, I’ll feel like a leader within the company”)

“How will this project affect performance?” — Does this project improve processes? Does it make it easier for people to do their jobs? Are there time savings involved?

“How will this project affect image/reputation?” — Will completing this project help improve the company’s brand?

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Dealing With Push Back

Your personal brand? The reputation of the company? I once worked with a successful startup who had the worst results for “{Company Name} Reviews” in Google. While not representing a quantitative / financial return on investment, the success of the project had a positive impact on the company’s image and reputation, representing a high qualitative value.

Dealing With Push Back

Often, when you start asking your client or prospect deeper questions about their business, you’ll get push back.

Sometimes, this pushback can easily be overcome with a few clarifying comments. Othertimes, this is an indicator that this isn’t a client that you want to work with — they see you as a pair of hands, not a trusted advisor — and you should politely decline to work together.

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Dealing With Push Back

When I'm working with a client to understand the value in their business and experience an objection — “Why are you asking these questions?” or “I'm just curious if you can help me build a website, you don't need to think about my business” — I draw on these statement to help educate the client about the value behind the questions I'm asking:

- > “If I can ask you a few questions, I can put together a proposal to show you the ROI if we worked together.”
- > “What I do isn't as important as what we'll create together.”

“If I can ask you a few questions, I can put together a proposal to show you the ROI if we worked together.” — With this statement, you're helping clarify the value of your questions - understanding the return on investment they can experience from working with you - and position that you won't be able to put

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together a proposal until after you understand if you'll be able to deliver an ROI for their business.

“What I do isn't as important as what we'll create together.”

— If the client sees you as a pair of hands - someone to build a website and then be done-with - this statement helps educate the client on the value of working with you. What you do — build a website, design a logo — isn't as important as what you'll create together for their business in terms of quantitative and qualitative value.

Additional Resources on Value Based Pricing

- > **Business Coaching for Freelancers** — In my business coaching program, we'll work together to identify *everything* that's causing you stress — or preventing

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your business from growing. Then, I'll prepare a plan of action for your business, contributing my insight, recommending specific next steps for you to take, and establishing goals for you to work towards. Finally, I'll provide weekly accountability and support and 24/7 access to ensure you have the support you need.

- > **Ask Me Anything About Value Based Pricing** — Not yet ready to work together? That's fine. You can **ask me anything you like** about Consulting, Freelancing, Value Based Pricing, or anything else under the sun on my **'Ask Me Anything'** page
- > **Value Based Fees** by Alan Weiss is a great, self-guided resource for helping you learn how to implement Value Based Fees into your freelancing or consulting practice. It's one of the most valuable books I read in 2014.

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And, as always, if you have any questions, or there is any way I can help your business grow, **feel free to email me**. I read every email I get — and I respond to 95% of them.