

# Myth: We all know what our clients want and need

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## Abstract

The value proposition is the collective set of offerings that you can potentially provide to your clients expressed in their language. Ultimately, it determines how your clients view your practice. Setting it down on paper in a methodical process that involves input from everyone in your practice, even clients, is an effective way to assess what you are providing, engage your staff in your continuous improvement efforts, and make decisions about how to allocate resources – both people and dollars – in the planning process. This paper provides such a process using an accepted group management technique called “affinity diagramming.” Four steps are involved and it can be applied to any type or size of practice. After you complete it, you can use it as a “living document” that changes as you add more services, your market needs and client wants change, and/or technology offers new and better ways to deliver a benefit to your clients.

**Key words:** bovine, veterinary, practice management, value proposition

## Résumé

La valeur proposée est l'ensemble des services que vous pouvez potentiellement offrir à vos clients en utilisant leurs propres mots. Ultimement, cela détermine comme vos clients perçoivent votre pratique. Mettre cette valeur proposée sur papier est un processus systématique qui demande une contribution de chacun dans la pratique et même des clients. C'est une manière efficace de juger de vos services, d'impliquer votre personnel dans vos efforts constants d'amélioration et de prendre des décisions concernant l'allocation des ressources (personnel et argent) dans le processus de planification. Cette présentation détaille un tel processus par le biais d'une technique de gestion de groupe reconnue qui s'appelle le diagramme des affinités. Cette technique implique quatre étapes et elle peut s'appliquer à n'importe quel type de pratique et ce peu importe sa taille. À la fin du processus, vous pouvez l'utiliser comme un document évolutif qui change lorsque vous ajoutez de nouveaux services, lorsque les besoins de votre marché et de vos clients changent et lorsque la technologie crée de nouveaux et meilleurs moyens de procurer des avantages à vos clients.

## Introduction

What someone needs and what they might want are often distinctly different. If you doubt this statement, you

just need to ask any parent with teenage children who will do their level best to convince you that they NEED a brand new car to drive, the newest iPhone, or a particular item of clothing that costs three times as much as it should but has a particular brand name associated with it.

Ultimately, it is important for you to clearly understand how the various products and services that you can or could offer and their needs as you see them mesh with your clients' wants. As professionals with extensive experience in a specific aspect of animal care, there is no doubt that you can make a good decision about what your clients need. What your clients want is a little more difficult for you to ascertain. Over time you have asked many questions to try to understand, but sometimes you didn't get very clear answers or the clients themselves weren't sure. Further, when what your clients want directly relates to your performance, they may not want to be willing to be open in their comments.

Developing a documented value proposition in writing using inputs from many different constituencies is a very good method of collecting opinions, including your clients' if you so desire, and structuring these thoughts in a way that will both help in your planning and in the engagement of your entire staff against the same goals.

## What is a Value Proposition?

As medical professionals you may not hear this phrase on a daily basis or you may hear it misused. Businesses as well often use this as a catch-all phrase to describe why they price the way they do or why they don't offer a particular product or service. In this manner, it can often be an excuse for lack of ability to develop an offering or as a self-defense for a deficient offering.

Wikipedia defines a value proposition as “a promise of value to be delivered and a belief from the customer that value will be experienced.” In my opinion, this definition is very good because it clearly implies that it is a meshing of what the provider is (operative word) delivering with what the client (operative word) perceives. The client's perception is dependent on him wanting the particular product or service, not simply having someone tell him that they need it.

Very importantly, none of this definition has used the word “price.” Obviously, price is a relevant variable in any decision a client makes but it is made as part of a price/value relationship. Said differently, your value proposition isn't or certainly shouldn't be offering something at the lowest price unless you choose to position yourself as the Kmart of veterinary practices.

## What are the Benefits of Reducing your Value Proposition to Writing?

First and foremost, the act of reducing your value proposition to writing forces you to think through what you actually offer and how well you do it. Sometimes this act in and of itself causes you to pause and come to grips with how well your practice is performing. Secondly, once you have it on paper you have a reference point for the future. The process of getting the value proposition down in a simple format and evaluating it lends itself to involvement of your partners, your entire staff, and even some of your clients if you so choose. By involving a broader group such as this you get perspectives that benefit you greatly. Others within your practice know things that you don't. For instance, they may well have a perspective on how your clients view YOU. A comment to the office manager on the phone such as "will he/she really be here at that time?" gives you information about how your clients view your timeliness and may reflect a feeling that the client has never actually expressed to you. Additionally, involving others in the development of the value proposition helps them understand what you want the practice to represent, what role they play in doing that, and a sense of ownership in the delivery. Finally, you have a way to evaluate which elements of your practice you want to prioritize for improvement or addition and can select those that work to help you achieve the financial performance that you want as you do historical financial analysis and forward-looking planning.

## What do you Need to Believe as Premises for Developing your Value Proposition?

The underlying premises that are the foundation of the value proposition work are as follows: 1) your clients are basically business people who are making decisions based on whether they believe that the value of a particular product or service to them exceeds its cost, 2) your clients are far more interested in the ultimate outcome of a procedure than they are of the particular method or piece of equipment you use to achieve the outcome, and 3) price in and of itself is not part of a value proposition but rather the perceived value that the client places on the benefit you offer.

## How do you Construct your Value Proposition?

The best way to develop your value proposition is as a group exercise. Obviously, you could do the work by yourself but the various perspectives provided by other participants including any or all of your employees and even your clients makes the exercise much more valuable. Since each of your client groups is interested in very different products and services from you, you need to develop a different value proposition for each of the segments of clients in your practice. As an example, if you have a mixed practice you would

have separate value propositions for your dairy clients, your cow/calf clients, and your small animal clients. Your equine clients are obviously looking for a totally different set of offerings than would your bovine or swine clients. In the end you should develop a separate value proposition for each group of clients that represent a meaningful, ongoing part of your practice.

A tried and true method for working through this development involves four steps that will be detailed below.

### Step 1

Have all your participants individually write on an individual Post-It note any of the things that they can think of that a particular group of clients' wants from you and your practice. Write one desire on each Post-It note so in the end each person might have written many (40 or more) benefits on the same number of Post-Its. Have each person put their individual notes up on a white board or flip chart sheet reading what they wrote as they put each one up. Encourage others to continue to write more notes of their own if the comments of the presenter reminds them of something additional. At this stage the goal is to get as many possible client needs on the board as possible and there is no pride of authorship.

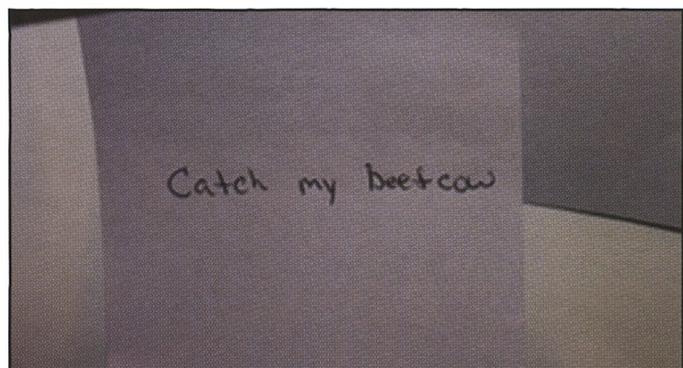


It is however very important that the participants express the need in the way your clients would. This requirement should cause participants to name the benefit as the client sees it, not the procedure you offer in veterinary terms. As an example, your dairy clients really want you to be able to identify open or pregnant cows as early as possible after insemination. They are less interested in the actual manual or ultrasound methodology used to accomplish the goal. This restriction also should cause you to focus on the client's needs as approached to thinking that getting the newest piece of technologically advanced equipment in and of itself has value. (In the seminar I refer to that type of thinking as falling prey to "shiny object" thinking. Your clients are far more concerned about the outcome of your visit than the new truck you arrived in.)

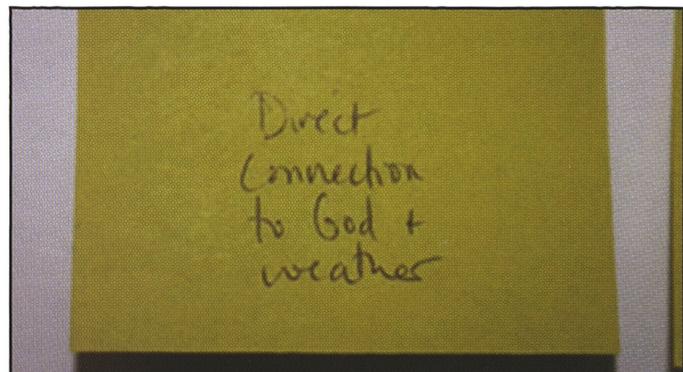
Extend the list of benefits you capture to include those that you know your local competitors are providing to the same client group even if you do not and include things you know your clients would really like but today no one in the area is providing. Don't worry about whether you know how to deliver the specific benefit currently. The end result of this step is a very messy board full of Post-It notes that includes everyone's input.



And sometimes some very funny thoughts.



or even



### Step 2

Now the participants are going to work with the various benefits to group them into 3 or 4 major groups as your clients might think about them. There is no perfectly correct way to group them. Most important is what makes sense to you, your staff, and your practice. When we first did this exercise with the AABP Sustainability Committee, we grouped dairy benefits into Technical Services which included the various common veterinary professional services offered, Analysis/Business Planning which encompassed those recommendations provided concerning improving the management of the dairy operation, and Compliance/Regulatory which was those requirements to meet government on other regulations. Other groups came out with very different groupings.

At this point you can eliminate duplicates and combine statements that are very similar.

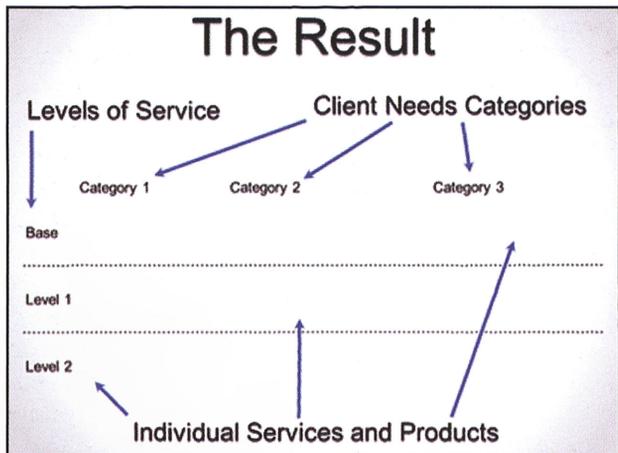


### Step 3

Now your group is going to divide the various products and services within each major group into one of three levels. The "Base" level includes those products and services that your practice must provide to meet minimal expectations in your local market area. You really cannot hold yourself out as a veterinarian without providing these offerings. The next we call "Level 1" and those are the various benefits that can distinguish your practice from your competitors and be the basis for differentiation of your practice. This level often includes those offerings that are just starting to take hold in a market area such as IVF work, embryo transfer, etc. Finally, in "Level 2" you place those things that would be "home runs" if you could provide them and should include things you identified even if you do not know how to deliver them currently.

It is important that you realize that the value proposition you are building is a reflection of the market in your particular area. In some areas a particular component might be a "Base" level component whereas in another market it might not be provided yet and would be a "Level 1" offering.

At this point you have built a matrix that includes the groups across the top and the levels as rows down the side and all the basic benefits populating the cells in the matrix.



**Step 4**

The last step is to assess how well you deliver each of these offerings today. Green means you do it well and are not at any competitive disadvantage, Yellow denotes that you could improve, and Red means you assess your capability as poor or non-existent. As a partial example your matrix might look like this.

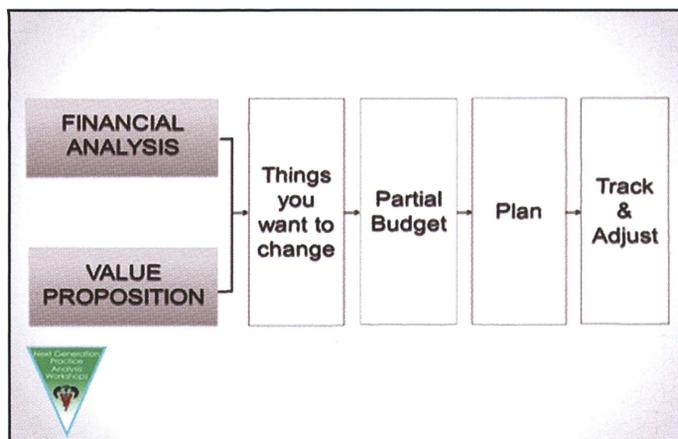
### Your Dairy Value Proposition . . .

		Client Needs Categories		
		Technical Services	Analysis / Business Planning	Compliance / Regulatory
Level of Service	Base	Provides open cows in a timely manner with rectal palpates or ultrasound.	Regularly compares and compares monthly herd records to existing and future benchmarks.	Performs required testing and vaccinations to ensure compliance with federal and state regulations when issuing health papers (CVI).
		Is current on latest treatments for common metabolic diseases.	Reviews vaccination protocols in light of disease burden and newly available products.	Has developed farm-specific plans in the event of a FAD.
		Provides 24/7 availability of critical services in case of emergencies.		
	Level 1	Strategically uses embryo transfer to enhance genetic base of the herd.	Understands the process and procedures for partial budgeting and can incorporate this into healthcare decision-making.	Designs and monitors outcomes of treatment protocol to assess efficacy and ensure regulatory compliance.
		Determines fetal gender with ultrasound to augment reproductive management decision-making.	Actively participates in management team meetings with other stakeholders, e.g. nutritionists.	Provides training for employees on health management and antibiotic use.
		Facilitates in-vitro fertilization for capture of unique genetic lines.	Incorporates forecasting to better characterize risk of financial decisions outside animal healthcare.	Identifies and addresses animal welfare concerns through regular audits.
Level 2	Has herd-in facilities as an option for delivering health care to individual and small groups of cattle.	Guides management decisions for forward contracting of milk and key dairy inputs.	Is fluent in the primary language by employees speak, e.g., Spanish.	

As an aid to creating the matrix, there is a value proposition template on the AABP website.

With this result in hand you now have a tool to do a lot of things. As mentioned earlier it is obviously a reference point for you and your staff to use for planning and as you manage your business on a daily and yearly basis. You can decide which elements you want to focus on adding or improving as you begin your planning process. It provides a training tool to help you orient new employees. You can update it as you make progress in refining what you offer, as new technologies become available, as competitors introduce new capabilities, and most importantly, as your clients develop new needs that you can provide and remain relevant in their daily operations.

In conjunction with your financial analysis you can incorporate this work into the planning cycle.



**Conclusion**

Using a simple, disciplined process as described in this paper, you should have a concise statement of your clients' wants and needs in a way that you can use it with your staff and update it as you go along. You have forced yourself to express both the "needs" as you see them from a professional point of view and the "wants" that clients have (other than just price) that will drive their decision making process. You have benefited from gaining the insights of all of your staff and made them active participants in helping determine "where we go from here." Hopefully, you have also discovered some new wants that you hadn't really thought about before and which can help you grow your practice, distinguish yourself from your competitors and be more effective in building solid relationships with your clients.

**Check out the AABP website to download this generic value proposition spreadsheet template to help you get started!**