

The KISS Principle in Customer Value Management



by Stephan Liozu, Ph.D.

In pricing, there are two types of complexity. Good complexity can lead to competitive advantage if you can make it simple for customers to absorb. Bad complexity can frustrate potential customers and cause them to seek another solution. In this article, the author provides best practices for making your differentiators and value drivers easy for customers to understand. Stephan M. Liozu, Ph.D. (sliozu@gmail.com), is the Founder of Value Inruption Advisors, a consulting boutique specialized in value-based pricing, industrial pricing, digital and subscription-based pricing. He is also an Adjunct Professor & Research Fellow at the Case Western Reserve University Weatherhead School of Management. He is a Certified Pricing Professional (CPP), a Prosci certified Change Manager, a certified Price-to-Win instructor, and a Strategyzer Business Model Innovation Coach. He has authored seven books: The Industrial Subscription Economy (2022), Pricing: The New CEO Imperative (2021), B2G Pricing (2020), Monetizing Data (2018), Value Mindset (2017), Dollarizing Differentiation Value (2016), The Pricing Journey (2015), and Pricing and Human Capital (2015). Stephan sits on the Advisory Board of the Professional Pricing Society. He is a Strategic Advisor at DecisionLink and Monetize360 and a Senior Advisor at BCG.

Everyone knows the KISS principle. I have seen many definitions of the acronym over the years. Mine is “Keep It Simple and Salient!” In other words, in the customer value management field, things need to be simple for customers to understand and salient in a way that the customers want to continue the discussion and buy from you. You do not want to volunteer too much information up front, but rather hook prospects and get them to enter deeper discussions once they understand the ROI and want to learn more. This approach profoundly changes the way you design and execute your go-to-market activities and how the branding, positioning, and messaging are done. Everything from the website, to brochures, to case studies, to content is aligned on key value messages that are customer-pain-centric, compelling, quantified, and dramatic in nature.

Why Simplify Across the Board?

1) Companies are working on too many strategic initiatives which drown teams: Think about it. In your company, how many strategic initiatives are you working on? How many projects or programs exist under each strategic initiative? Before you know it, you are numbering in the hundreds all running concurrently.

2) On average, a company uses over fifty sales-related apps and software leading to burnout and low technology adoption: A recent 2021 report by Productiv on the latest SaaS Crawl states that, on average, an organization uses more than 50 sales apps and software platforms at one time. Imagine how many times users start moving from one app to the other and how much time they must use to get trained and gain proficiency. If things are too complex, they will burn out and not adopt the app. The same report highlights an average level of adoption of these tools at under 40%.

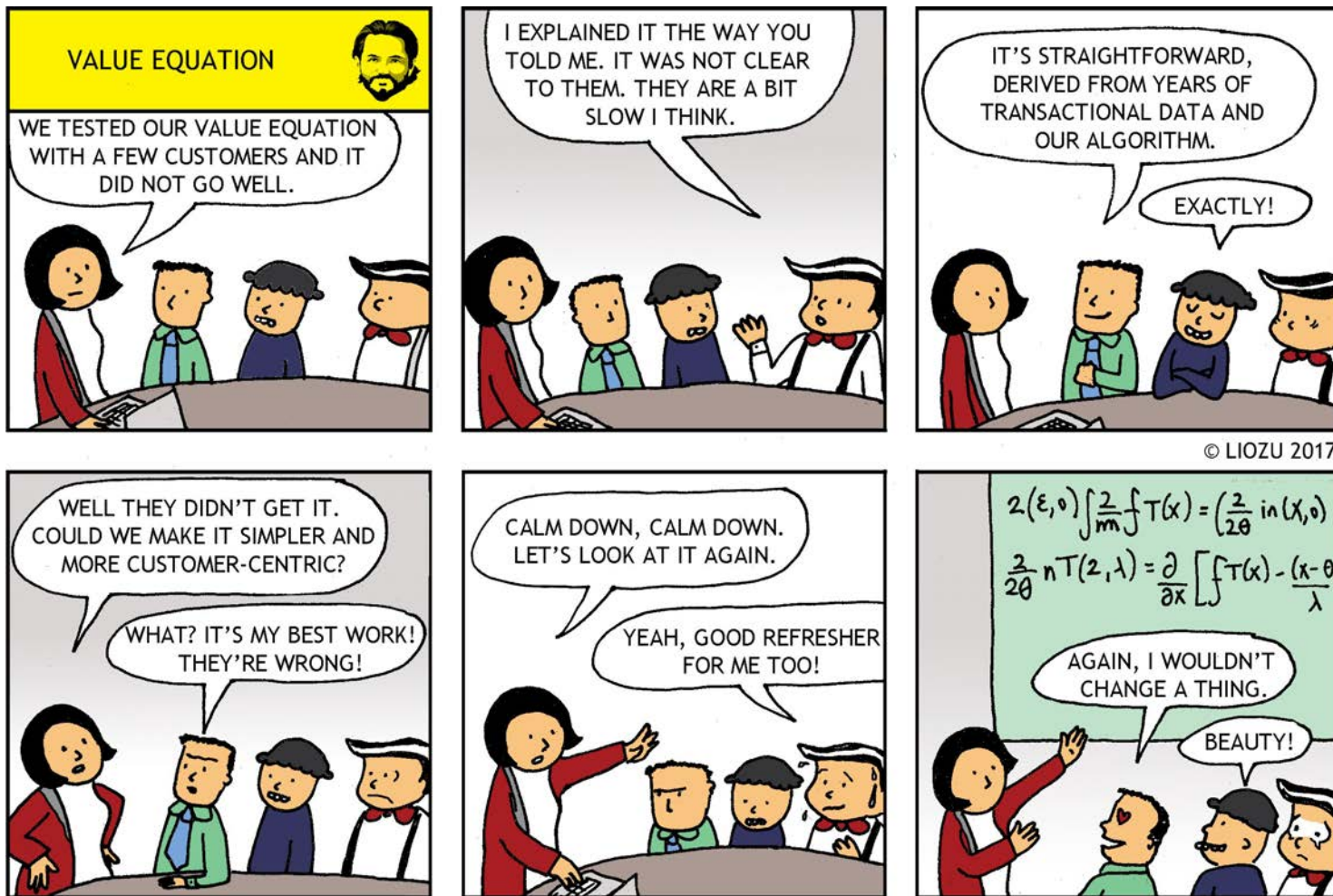
3) With so much technology at play, users do not have time to learn a new software system every day: User experience and simplicity are key buying criteria for technological solutions these days. CROs who purchase these solutions should put simplicity front and center to maximize adoption levels. That includes integration into the existing pool of apps but also challenging vendors to help with user adoption programs.

4) Companies rarely reset the level of managed complexity: They continue adding programs, tools, and processes on top of each other creating inherent and un-

necessary complexity. Once and a while, it is necessary to do a “complexity inventory” and list all activities, programs, initiatives, reports, and meetings. You make that list, and you challenge the value that all of these activities bring to the business and to your customers. I can guarantee that about 30% of them are done because “we have always done it this way.” The best time to do this inventory is when a fiscal cycle ends and a new one starts.

5) We love and are proud of what we do: The result is that we put too much of everything everywhere, which puts pressure on the audience to decipher the offers and messaging to determine what is essential. I remember a situation in which we prepared for a customer presentation and we were reviewing the content prior to the meeting. The team produced eighty slides for a one-hour meeting. Most of the slides were internally focused and designed to show how great our company was. You get the point. Customers already have all that information readily available. Simple is better!

Complexity and Differentiation
Complexity can be a major source of differentiation. Being able to manage it and turn it into compelling and differentiated solu-



tions that customers appreciate can also change the game. The key is to be able to resist tainting marketing and product development with “bad” complexity (legacy, inherent, and unnecessary) and to focus on transforming intentional and powerful complexity into perceived simplicity. In other words, we make it easy for customers to understand the value of the offering, to accept the ROI, to purchase the solution, and to put it to use. It is a comprehensive approach to making customers' lives easier. The materialization of this approach includes simple installation guidelines, transparent terms and conditions, ready-to-plug in connectors or software, plug and play options, fast and effortless methods to connect with tech support, etc.

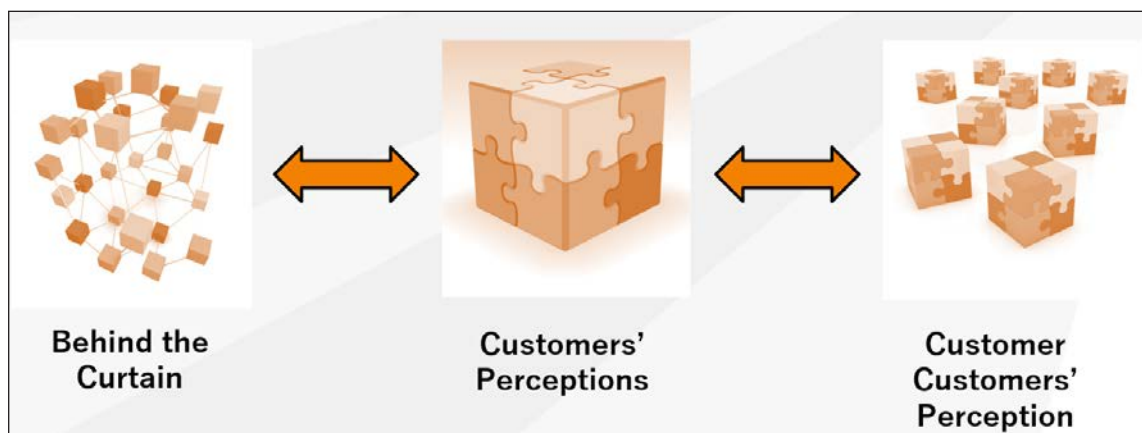
During the selling process, it is equally important to

deliver powerful proposals, relevant information to help customers make quick decisions, simple legal contracts (or at least simpler!), and a robust customer needs discovery process. It reminds me of a quote from the Vice President of Sales at DecisionLink, a customer value management software company: “You should not need a Value Engineer in the room to present your value proposition to ev-

ery customer.” The sales team should be able to champion the process if the value proposition is crisp, salient, compelling, and high-level enough to have a dedicated review session with technical experts. See [Figure 1](#).

So, the bottom line is that customers do not care about your internal complexity. They do not have time to manage it and

Figure 1



sort through the maze of information and data. They might decide to go with a different vendor if your company makes it hard to buy and use your solutions.

Best Practices to Embrace Simplicity in Your Go-To-Market

Here are some ideas and best practices to inject simplicity and salience in your go-to-market process:

1) Draft stories with powerful hooks to catch attention and stimulate prospects to have deeper value conversations:

Team up with story tellers and transform your value model or raw unique selling propositions into hooks and story lines. For example, you might have a value pool at \$105,699 per year per unit. Do you really to be that precise? Could you be at \$100,000 and find a way to tie this to a jazzy performance story?

2) Embrace the rule of 3 to 5 maximum. Understand primacy and recency effect:

Very often I see a lengthy list of value drivers or unique selling points on customer PowerPoint presentations. Fifteen bullet points on one page is an eye chart. Remember that customers will remember the first you say and last thing. That is primary and recency. So, focus on starting with a bang and finishing with a strong line. What happens in between needs to be short and crisp. Limit your value propositions and value models to 3 to 5 items maximum.

3) Adapt your messaging to the audience you are trying to reach:

If you talk to the CEO, CFO, or CRO, be short and crisp. Keep this discussion business-oriented and high level. Do not show your full value equation, for example. If you speak with an Engineering Manager, they might be open to more technical detail, a deep dive into the technical features, and a story of technical substitution. Every type of listener will have their specific needs and will want to hear different stories. Therefore, conducting a stakeholder analysis and an analysis of buying centers is extremely helpful. Once these analyses are completed, you adapt your simple and salient messages to the audience.

4) Make value and pricing transparent and simple to understand on your web-

site: Your website is the public window to your go-to-market culture, your positioning, and your focus on experience. It should not take going through five pages to find a statement of value and information on pricing. The landing should have a “Why Us,” a statement of true differentiation, and a quick link to an ROI calculator. Some websites are so bad that users give up finding relevant information. Other websites look like an intranet with a large amount of information that is not user-friendly or easy to navigate. Hire experts. Invest in a simple and powerful website. First impression matters.

5) Align your marketing, selling, innovation, and pricing programs around simple concepts of value:

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trade shows, virtual conferences, webinars, on data sheets, etc. If you position your company as a differentiated or “premium” player, then focus on pricing and value together in the form of an automatic ROI web calculator or simulator to make sure your customers focus on total cost of ownership (TCO).

6) Constantly ensure that your value and pricing efforts support the sales efforts (meaning closing deals)!

That is the essence of pricing and value work. It is all about accelerating the deal cycle and assisting sales in closing deals. This is where salience is key. Perceived complexity is a potential deal-killer, especially in an era where customer experience is key. This is a mindset transformation. Your entire go-to-market organization needs to be customer-centric and focus on ease of use and ease of buying. If not, someone will be waiting behind you to steal the deal.

7) Understand the customer level of maturity and adjust your offer through smart versioning followed by an up-sell/cross-sell strategy:


Some customers might be more mature than others. They may have a greater level of digital or technical maturity. They might already be focused on progressive customer-centric marketing. Not every customer is the same. If you sell complex solutions or systems, you might have to “dumb” it down a bit to address a potentially less mature account. This type of discussion happens during the customer segmentation process. The type of marketing actions and communication campaigns will have to vary by segment. It is equally important to version your product or service offering with a good/better/best approach including a “land and expand” strategy. In other words, you land with a simple offer, and over time, you upsell to a more complex and rich solution.

8) Make your pricing strategy and communication simple and easy to understand:

Sometimes you must be an engineer to understand your vendor’s pricing strategy and pricing packages. First, best practices might be to keep pricing at a high level until you start digging into the full scope. You might also use roll-down menus and “click here for more details” options for website pricing. If your customers or prospects cannot quickly figure out how much a solution is going to cost them, they might give up. Pricing transparency is a big topic these days, and satisfaction with vendors’ pricing might impact the overall selection process.

Concluding Thoughts

Customer experience can often be a tie-breaker when two companies compete, but it is also a critical differentiator in some industries. If you embrace the KISS principle in your go-to-market approach,



you show that you genuinely care about the customer's speed of doing business and time to value. The sooner you can get them using your differentiated offer, the better they are in saving and gaining. The

goal of this essay is to make you aware that there are diverse types of complexity. Good complexity can lead to competitive advantage if you can make it simple for customers to absorb. If you are in a lead-

ership position, try to conduct a complexity inventory and gauge the level of user-friendliness in your current business. It might be eye-opening. ❖