

Enable Growth With Interactive Value Assessment Tools

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Initiatives: [Product/Service Introduction and Delivery](#); [Demand Generation](#); [Foundations of Product Introduction](#); [Navigate Inflation and Recession Resource Center](#); [Product and Services Strategy for Tech CEOs](#)

Value assessment tools are viewed by buyers as one of the most helpful formats in making the case to shortlist a vendor; but are often not a priority in product launch planning. Product leaders need to enable buyers and sellers with tools that size and scope the business impact of their offerings.

Overview

Key Findings

- Technology buyers are often required to create a formal business case to complete a purchase.
- Most product value propositions focus on features and functionality, and do not concisely convey how much business value customers will obtain from the offering.
- A common reason buyers fail to complete a technology solution purchase is that the business and/or technical risks are deemed too high.

Recommendations

Product leaders contributing content that communicates product value during product introduction should:

- Enable buyers to create an internal business case that shows the potential business impact and outcomes of the offering by aligning product information to buying tasks.
- Enable buyers with interactive digital tools by developing shareable value calculators that help buyers to customize scope and calculate dimensions of business impact.

- Reduce buyer risk by providing tools and value platforms that describe and quantify the business impact to buyers and sellers throughout the buying and owning life cycle.

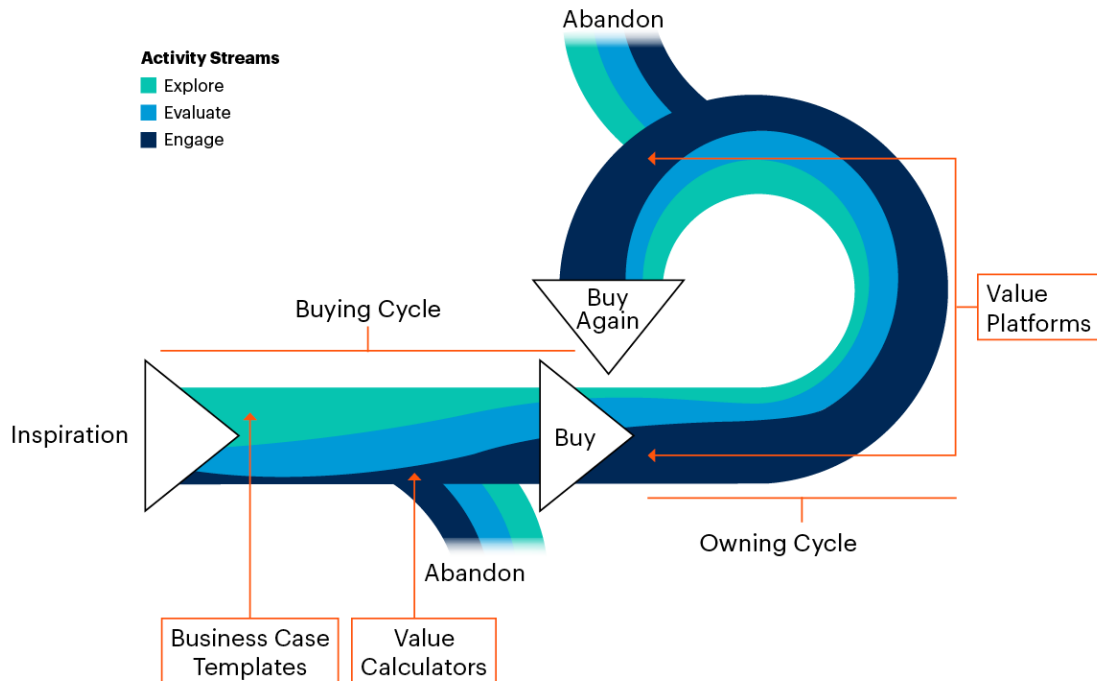
Analysis

Buyers consistently rate value assessment tools – such as calculators and business case templates – as a top information source when assessing vendors. ¹ Product planning strategies, research data and originating value propositions can be developed to create the right interactive value assessment tools for the right stage of the B2B sales process and customer life cycle (see Figure 1).

For example, an ROI calculator may not be valuable in inspiring or hooking a prospect, but it may be key to the final justification in closing a deal deep in the buying process. Further, these tools can be used to substantiate value streams throughout the customer life cycle after initial purchase. Calculators can be more broadly used as continuous value calculators and diagnostics to expand product use and justify subscription renewal.

Figure 1: Example of Interactive Tools That Communicate and Measure Product Value Throughout the B2B Technology Customer Life Cycle

Example of Interactive Tools That Communicate and Measure Product Value Throughout the B2B Technology Customer Life Cycle



Source: Gartner
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As value may be defined differently per vertical market or use case for which the product is sold, a single business case tool that shows general cost savings wouldn't be sufficient. A specific version or template of the tool should be offered to show the unique value to be realized for the relevant target market and use case.

Business Case Templates: Inspire and Jump-Start Purchase

An interactive tool that enables buyers to create an internal business case can jump-start the purchase process, especially when a large buying team is involved. These business case templates can be used by lead buyers/sponsors and serve as the document that conveys your offering's potential business impact and outcomes to decision makers.

Product management and product marketing teams should collaborate in dissecting the product strategy into workable pieces that hit “buyer value” – value that is critical to communicate in the initial stages of a buying process to hook a prospect. This prework to craft the value story for your product or service is a first step to creating most interactive value assessment tools. The next step is to embed key business-impacting improvement variables (for example, it will decrease time spent doing ABC by X%) into the template, and provide proof points (for example, customer examples, data and analysis) to back them up. Interactive tools should use default assumption data that is believable and realistic, linked to case studies.

Finally, target the inspiration stage of the buying process with this prescriptive advice and make the business case templates (with associated data, case studies and product details) easily accessible, customizable and shareable. These templates and tools should allow prospects to input their specific costs and use cases, and should clearly highlight how your products and services drive business outcome value.

The following are examples of business case templates:

- [Adobe Marketo Engage](#) – Marketo Engage’s business case builder is a downloadable asset designed to help customers easily build and customize a compelling business case for marketing automation. The business case output, which is a deck that is approximately 80% complete, can be shared with colleagues in functions outside marketing who might otherwise not appreciate the need for marketing automation or understand its value. This insight is very valuable for marketers who have not built consensus for this type of purchase before.
- [TIBCO MDM](#) – Starting with its blog posts, TIBCO references data from independent respected industry resources such as Gartner to advise prospects on how to build their business case for master data management solutions.
- [Akamai CIAM](#) – This white paper business case template presents the case for opportunities to drive revenue and brand loyalty from customer profile data. It looks at the strategic and operational benefits of single customer view and how modern customer identity and access management (CIAM) solutions can streamline user experience and improve security and data privacy.

Product leaders should provide business case template assets that:

- Reduce buyer effort by identifying what metrics are most effective in creating the business case for a solution.
- Are shareable, and assist buyers in building consensus internally with best-practice messaging and talking points.
- Highlight validated product positioning and messaging that addresses the enterprise-level business value that all stakeholders will be working toward. Resource-constrained technology providers can use third-party business value assessment services to create these value models and conduct assessments with their customers.

Value Calculators: Model Business Impact Such as Revenue Growth and Cost Savings

During product planning activities, product teams are responsible for collecting evidence to support product strategies. In describing the market opportunities and value propositions, there should be quantifiable value that the product or service delivers. This value could be cost savings from productivity gains, increased revenue or risk avoidance.

Enable customers to model ROI, total cost of ownership (TCO), and other cost saving or revenue increase scenarios. Value calculators should allow customers to use their numbers to model “How big is the problem we have that this product can solve?” or the potential value gained. Product leaders often start with spreadsheets, calculated ROI examples in sales pitch decks, testimonials in case studies and other simple methods to demonstrate return. These mathematical estimates can also be useful to the technology provider in many ways during the buying process, such as guiding prospects to the best match of product offering or implementation program for the quickest time to value.

The following are examples of vendors offering value calculators:

- [Splunk](#) — Splunk’s value calculator first requires selecting a use case, such as IT operations or security and compliance, and follows with a questionnaire directly relevant to that function, such as “How many people are required to investigate high-severity incidents?” and “How long is the average duration of a high-severity incident?” Based on the answers to the questionnaire, the calculator generates a report that the user can share with colleagues to advance more detailed consideration of the solution.

- [HubSpot](#) – HubSpot’s inbound marketing value calculator gives realistic personalized estimates of potential increases in leads and customers when using HubSpot Marketing Hub. Based on the answers entered, the calculator generates figures and a chart that the user can share with colleagues to estimate the size of business impact and advance more detailed consideration of the solution.
- [Microsoft Azure](#) – Azure’s TCO calculator begins with a template to help prospects define their workloads that foundationally affect hosting and compute costs. Prospects can also customize several default values for assumed costs, and are ultimately presented with a detailed report that compares costs versus on-premises alternatives over a five-year period.
- [Flexera](#) – The Flexera One business value calculator highlights value gained across several areas such as IT visibility, actionable data, asset management and cloud cost optimization. Clicking “modify assumptions” allows the buyer to view and change the defaults behind the calculations.

Product leaders should create value calculators that:

- Enable customers to quickly and effectively produce shareable calculated value output.
- Allow for the use of customer data as input, with transparent and customizable assumptions.
- Are credible and backed up by data and facts.

Value Platforms: Reduce Buyer Risk

Value platforms are a newer class of software solutions that describe and quantify the business impact available to buyers and sellers throughout the buying and owning life cycle. Many of these platforms help technology providers organize and document their value stories and associated data, and also provide tools to further create presales tools such as custom case studies and ROI calculators. The more advanced tools allow for collaboration between provider and customer to track important outcome metrics, which can instill a trust factor.

Reducing perceived buyer risk in the buying process is advantageous to technology providers. In B2B recurring revenue situations, risk reduction or shared risk should transcend long-term contracts to secure renewals and grow wallet share and customer lifetime value (CLTV). A few emerging commercial platform solutions are available that product leaders can implement to transparently measure time to value – before, during and after implementation.

These platforms and advanced options can also integrate with demand/lead generation, manage value-related content components – such as case study elements – and generate buyer-specific content. Product leaders can further improve their product management process by tracking and ensuring a feedback loop from deployed value assessment tools. This feedback loop can be managed natively by the platform or derived from web usage analytics and voice of the customer (VoC) programs.

Several large sales and marketing platforms, such as [Mediafly](#), are adding robust value-selling support features; while some vendors are establishing themselves as customer value management (CVM) platforms.

Two examples of vendors providing CVM include:

- [DecisionLink](#) – The ValueCloud platform consists of five modules: Smart Web Calculator, Value Hypothesis Builder, Business Case Builder, Value Achievement Tracker and Case Study Builder. There is support for creating customer value hypotheses and model building to derive a variety of specific value metrics. Moreover, value-oriented content can be automatically created that depicts returns for specific customers. There is also a large library of value building blocks that enable users to assemble and tailor models for their offerings. Users can generate a variety of custom documents – including case studies for use with other customers – that summarize and present the value metrics derived by the models.
- [Ecosystems](#) – The Ecosystems platform contains five modules: Value Assessment, Value Realization, Value Benchmarking and Lead Generation, Web Value Calculator, and Value Engineering. Industry templates assist in documenting a prospect's priorities and desired outcomes, mapping to provider capabilities, defining outcome metrics with the prospect as well as exporting executive-ready collateral. Ongoing outcome tracking and past-value-delivered analysis compare the benefits promised in presales to the actual benefits received in postsales for the customer. Partnership roadmaps, performance metrics status reporting and solution white-space collaboration are also key features of the platform.

Another example is [MetaCX's Business Value Network](#). The Business Value Network is designed to enable suppliers and buyers to create, follow and report on business relationships (expectations and evidence of value) between the two. The network offers an environment (called bridges) in which customers and their suppliers (called builders or contributors, with additional collaborators that are able to participate but not create/contribute) create shared goals (namely, business outcomes) and related metrics.

Product leaders should implement value platforms that:

- Efficiently create customized value assessment tools and collateral for deployment during product introduction and into the customer life cycle (for example, renewals).
- Track measured value before, during and after implementation.
- Support sales enablement and value engineering roles, and create a feedback loop into the product management process.

Evidence

¹ **2021 Gartner Technology End-User Buying Behavior Survey** was conducted to understand how organizations approach large-scale buying efforts for enterprise technology. The research was conducted online from October through December 2020 among 1,500 respondents in organizations with at least \$1 million in revenue and 20 employees in the U.S. (33%), France, Germany, the U.K. (15% each), Australia, India (8% each) and Canada (5%). Industries surveyed include manufacturing and natural resources, banking and securities, retail, government, insurance, healthcare, communications/media/services, education, utilities, and transportation. Of note, technology vendors across industry categories were excluded from this sample.

Respondents were required to be manager level or higher, in a role that involves the evaluation or selection of products or services for technology projects, and aware of large-scale buying efforts for technology (including net new purchases, renewals and replacements) occurring in the past two years.

For the purposes of this study, “large-scale” purchases are defined as follows:

- For organizations with fewer than 250 employees, purchases of more than \$15,000
- For organizations with 250 to 999 employees, purchases of more than \$25,000
- For organizations with over 1,000 employees, purchases of more than \$50,000

Disclaimer: Results of this study do not represent global findings or the market as a whole but reflect sentiment of the respondents and companies surveyed.

Document Revision History

Enable Growth With Interactive Value Assessment Tools - 8 March 2021

Recommended by the Authors

Some documents may not be available as part of your current Gartner subscription.

[Use Buyer Enablement Content to Drive Portfolio Growth and Accelerate Sales Cycles](#)

[Measure Sales and Buyer Enablement Content to Quantify the Influence on Revenue Growth](#)

[How Product Marketers Can Differentiate Offerings by Connecting Value Assessment and Realization](#)

[Tool: Calculate Solution Value and Customer ROI](#)

[Use Value Management Platforms to Assess and Convey Value to Buyers and Customers](#)

[Startup Lift: Early Adopter Agreements Must Lead to Value Stories](#)

[Startup Lift: How Tech CEOs of SaaS Startups Quantify the Value of Their Solution](#)

[Critical Steps for the Tech Product Manager: Communicate Product Value](#)

[How Product Managers Can Use Storytelling to Inspire Commitment to a New Product Vision](#)

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