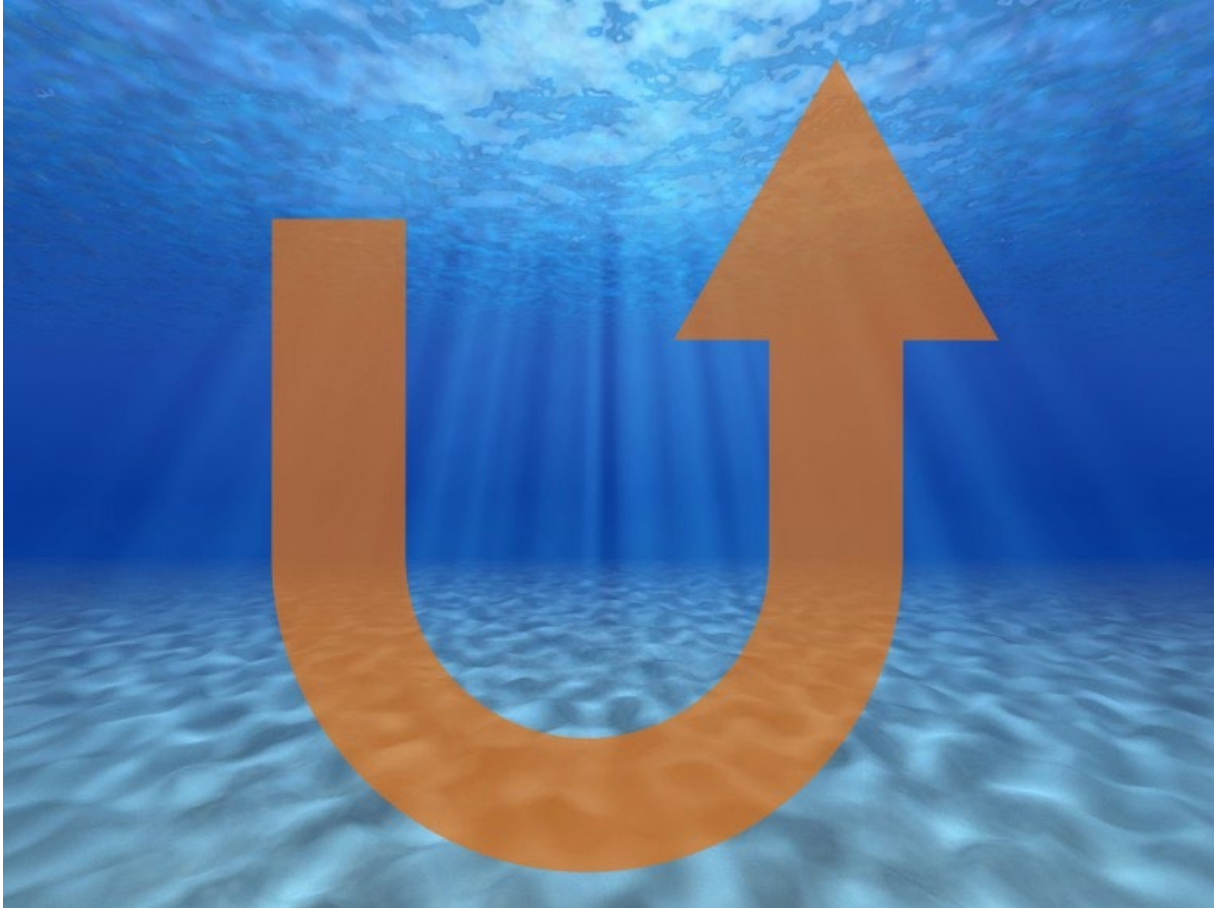


# Bottom Up

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Bottom up. Image Adobe Stock & Vestadil.

Early in my career, as an engineer at Gambro (a Swedish medtech company), I was taught a simple method for expressing the core of the benefits of an offering to a client. The method requires the use of only a verb and a noun to explain what the customer needs.

For example, if you manufacture pencils, the “verb + noun” description is “make mark,” or if you manufacture jewellery and tie clips, the expression is “hold tie.” It is obvious that the business, market, and competitors will be completely different if you provide a solution to “make a mark” or “hold a tie” versus offering a pencil or a tie clip.

Verb + Noun = Core Benefit

In the example “make mark,” the customer has a multitude of opportunities to make a mark—all depending on the situation. It is a stunning development from Stone Age charcoal drawings in caves, Viking rune stones, Gutenberg types, pencils, typewriters, and ink pens to an iPad. Still, most of the ancient methods are in use. Never has the market been so large, and we write (and read) more than ever before.

Over the last decades, digitalization has boosted the evolution of the “mark-making industry.” Today, we often make marks digitally in cyberspace to be read on high-resolution screens. If we need a real print, we may use an inkjet printer to make marks on paper.

In the example of the tie clip, the customer can find inexpensive solutions to hold the tie, e.g. simply by inserting the tie between the buttons of the shirt (which is free) or using a paper clip from the office. But the customer may find these solutions to be too cheap and decide to go to a jewellery store and buy an exclusive gold tie clip.

## Value to the customer

In a further step, the “verb + noun” method includes the determination of the total value and core benefits for the customer. To simplify visualisation of the value, the analysis is divided into two parts: the “use-value” and the “attribute-value” (perceived value).

In the example of the tie clip, the use-value to hold the tie is close to nil if the client uses a standard paper clip. However, if the client believes that a paper clip is too simple and chooses to buy a tie clip in gold for €1,000, the “use-value” is still the same, and what the customer pays for is then the “attribute-value.” The cost of keeping the tie in place is close to nil, while the cost to feel stylish is €1,000.



The mind-set may also be used when analysing complex services. If you, for example, are flying from Stockholm to New York with Ryanair or in an SAS business class, the use-value is the same, but the trip with SAS in the business class has a higher attribute-value.

Another, and current, example is the service of Car2Go compared to buying a BMW to get from point A to point B. The use-value is the same, but the attribute-value is much larger when owning your own BMW.

A complex product can be analysed as a complete, finished product on a top level or broken down into its sub-components. I have been involved in product analysis at a sub-component level, which resulted in

significant cost reductions combined with an improved quality of and more features in the completed product.

The “verb + noun method” might seem overly simple and technocratic, and it should, of course not always be used literally. However, I have had great success using the mind-set in both simple and more complex situations.