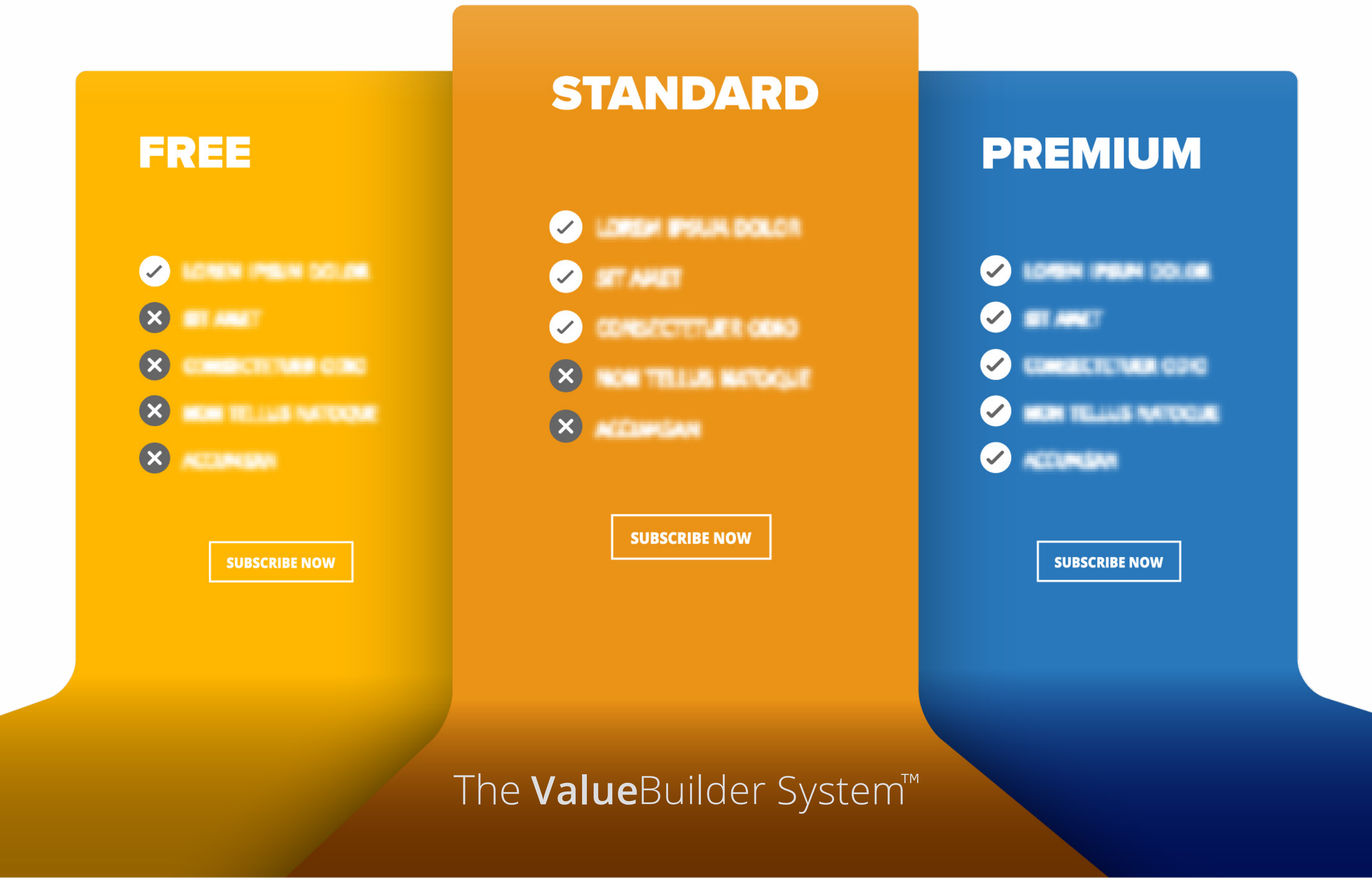
PRODUCTISE

8 Ways To Turn Your Service Into A Product



The ValueBuilder System™

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8 Steps For Productising Your Service

The coronavirus pandemic disproportionately impacts service providers. The people who cook for us, keep us fit, and keep our homes clean are severely affected. We've stopped consuming personal services from a desire to conserve cash, avoid human contact, and use our time at home to do things ourselves.

Business-to-business service providers are also getting impacted, including everyone from contractors to IT and business consultants. Companies cancel business services to conserve cash, observe physical distancing measures, and focus on short-term survival rather than long-term projects. They also cut service providers out of loyalty to full-time employees over contractors and consultants.

The typical business evolves from a handful of employees to perhaps adding some contractors, and as they grow, outside consultants. Their primary loyalty is to their existing employees. They need to conserve cash and move from long-term thinking to short-term survival. It's not a surprise they start by cutting consultants, followed by outside contractors to do whatever they can to keep their employees.

Generic services — whether you sell to consumers or businesses — are getting cut. Interestingly, we're still buying products that solve a specific problem. The companies that are winning in this pandemic are laser focused on solving an immediate problem. Former Harvard professor Theodore Levitt's famous quote is now more valid than ever:

> **Customers want to "hire" a product to do a job, or, as legendary Harvard Business School marketing professor Theodore Levitt put it, "People don't want to buy a quarter-inch drill. They want a quarter-inch hole!"**

Businesses are buying products like Zoom for teleconferencing and Slack for online collaboration. Consumers are dropping personal services in favor of products. Italians were the first Western democracy to experience the brunt of the coronavirus pandemic, which now disrupts life in America. It changed everything about daily life in Italy, right down to what people bought from Amazon. For example, during the month of March 2020, there was a 236% year-over-year increase in Italians buying sports gear from the online retailer, presumably to set up a home-based exercise routine.

We're buying fewer personal training services and opting for in-home workout products. Even though most stock markets are down sharply, Peloton shares more than doubled between March and July 2020.

We're not going out to the movies or a great restaurant to relax; we're buying more alcohol to take the edge off. According to a recent Nielsen[1] survey in April 2020, overall sales of spirits like tequila and vodka were up 75% from the previous year.

Small Service Businesses Shift to Products

GUERRILLA TACOS

Los Angeles-based Guerrilla Tacos typically served up a lively dining experience, but pivoted in March 2020 to offer a product called their "Emergency Taco Kit," complete with everything you would need to make their world-famous tacos at home.

SPIFFY

Around the same time, Spiffy, a car detailing service provider, went from offering a mobile car wash service to their "Disinfect & Protect" COVID-19 vehicle disinfection product.

ENCORE

Under normal circumstances, if you were hosting a party in England, you could use Encore's talent booking services to find a jazz band to liven things up. But when the pandemic canceled all gatherings in March, Encore switched to offering its Personalized Music Message, a personal message for a loved one sung by one of their artists. You could send your parents a song for their anniversary, your best friend a song when they're feeling down, or your child a tune on their birthday. At U.K.-based Encore, they took their service and productised it.

1 https://www.marketwatch.com/story/us-alcohol-sales-spike-during-coronavirus-outbreak-2020-04-01

How To Switch From A Service To A Product

There are eight different steps for transforming a service business into a product company.

STEP 1

Niche Down

The first step in the process of productising your service is to niche way down. Many people feel uncomfortable with this step — in particular in times like these when you need more customers, not fewer.

It's counterintuitive, but the first critical step in productising is niching down. Services can be adapted and customized for a variety of customers. In contrast, products need to fit one type of customer. When you offer your service, you likely make small changes in how you deliver it for each customer based on their preferences. The wider the variety of people you serve, the more you have to customize.

When you're selling a product, you don't have that luxury, so you need to niche it down to a cohort of people whom all share the same need.

Picking one niche also helps you design a product that will delight a micro-niche, which makes you more referable — and who couldn't benefit from a little free advertising these days?

Picking one niche allows you to efficiently reach potential customers through things like Facebook groups set up to serve a specific target.

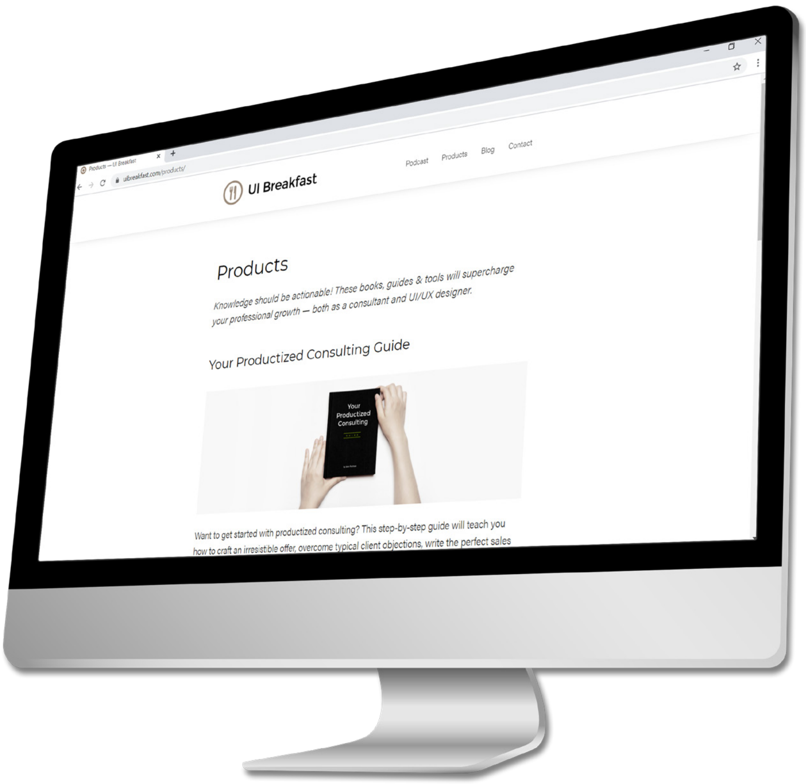
Niche down further than you're comfortable then niche down some more.

Segment by considering the following attributes of an ideal customer:

1. **Demographics**
   Age, gender, income
2. **Firmographics**
   Company size, industry
3. **Life stage**
   Just married, retired
4. **Company life stage**
   Start-up, mature, etc.
5. **Psychographics**
   Motivations, personality traits

For example, Jason Swenk is a consultant who works with advertising agencies. Swenk developed a Digital Agency Owner Mastermind. Not only did he pick the industry sector of advertising agencies, but he also went even further and focused on digital advertising agencies.

Jane Portman is a user experience consultant and niched down to focus on the owners of small Software as a Service (SaaS) companies. She developed "The UI Audit" product, which packages her user experience consulting into a product.



STEP 2

Find Your TVR

Once you've niched down more than feels comfortable, the next step in productising your service is to identify the services you offer that are teachable to employees and valuable to your customers who have a recurring need for it. At The Value Builder System™, we call this finding your "TVR (Teachable Valuable Repeatable)."

Grab a whiteboard or blank piece of paper, and make a list of all the services you offer the niche you picked in STEP 1. Next, score each service on a scale of 1 to 10 on the degree to which you can teach employees to offer the service, how valuable your niche finds the offering, and the degree to which they have a recurring need for it (i.e., Teachable Valuable Repeatable).

Pick the service that scores the highest, and move to STEP 3. (You can always come back to this step if you want to consider multiple products.)

Real-Life Example - Photography Business

Product/Service	Teachable	Valuable	Repeatable	Total
Weddings	7	9	0	16
Baseball Teams	9	3	9	21
Corporate Events	3	9	6	18
School Photos	**9**	**9**	**9**	**27**

STEP 3 Define Your Quarter-Inch Hole

Next, get clear about what problem your product solves for your niche. Go beyond the features you are offering and articulate the benefits of buying.

The "Emergency Taco Kit" makes cooking at home fun for quarantined Angelinos.

The "Disinfect & Protect" product sanitizes cars for front-line workers that have to keep driving during quarantine.

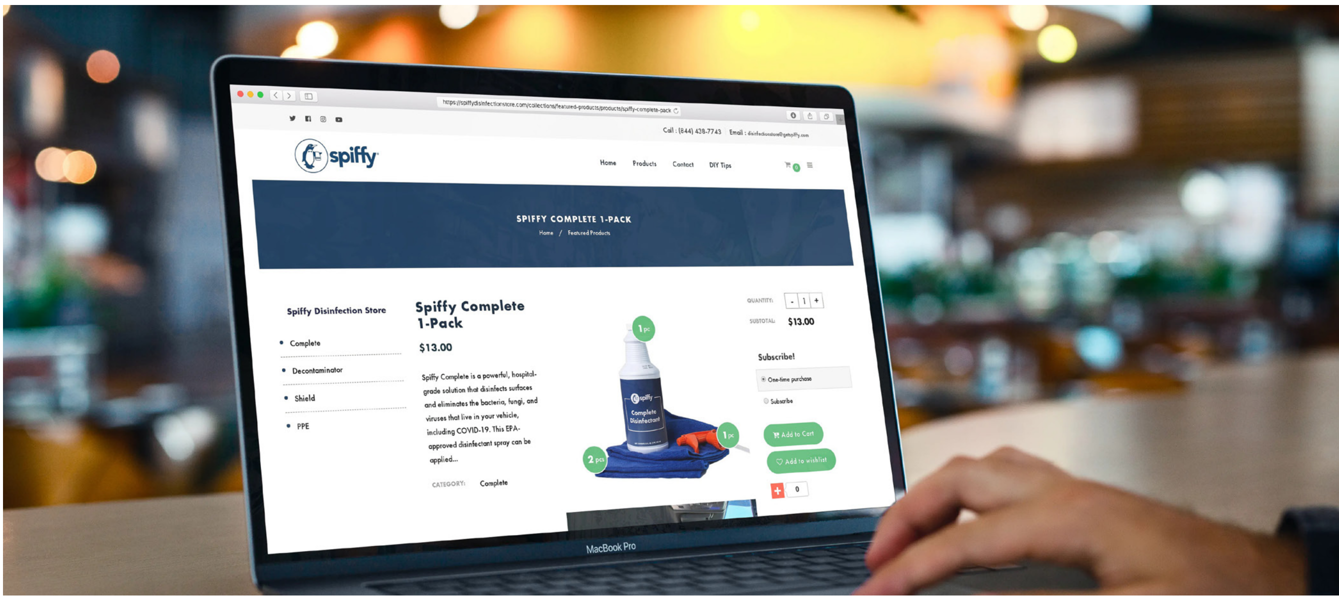
STEP 4 Brand It

With a service, you're typically hiring a person, but with a product, your goal is to make the customer feel like they are buying a thing.

TM

Whereas service providers have names, products have brands.

Brands like the "Emergency Taco Kit," "Disinfect & Protect," and the "Personalized Music Message" make service offerings feel more tangible.



STEP 5 List Your "Ingredients"

Service businesses usually customize their deliverables in a unique proposal for every prospect. However, product companies list their ingredients on the label. Therefore, make a list of what customers get when they buy your product.

For another example of listing your ingredients, take a look at the service company turned product business Data Stories.

Businesses are drowning in data. It's easier than ever to track everything a customer does but harder to figure out how to take actionable steps to improve your business based on the data you collect. Data Stories helps you do something with your data.

You provide them with the spreadsheet, and within a few days, they send you an interactive report that's easy to understand.

Even though they are mainly just selling a service, they have made it appear to be a product and list their ingredients in each of their offerings.

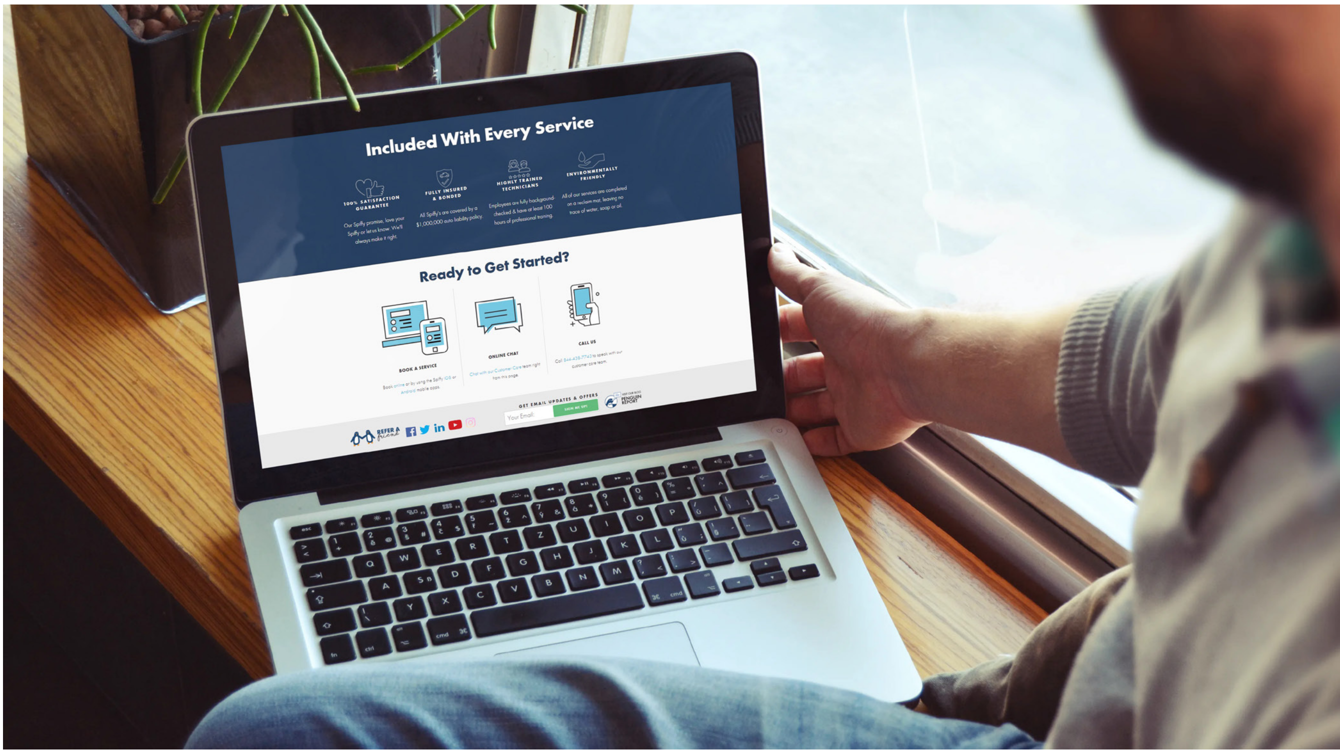
STEP 6

Preempt Objections

When selling a service, you typically hear your prospect’s objections first-hand so you can dynamically address them on the spot.

When selling a product, you don’t always have the benefit of personal interaction to overcome objections. In STEP 6, you need to consider what potential objections customers might have and preempt them.

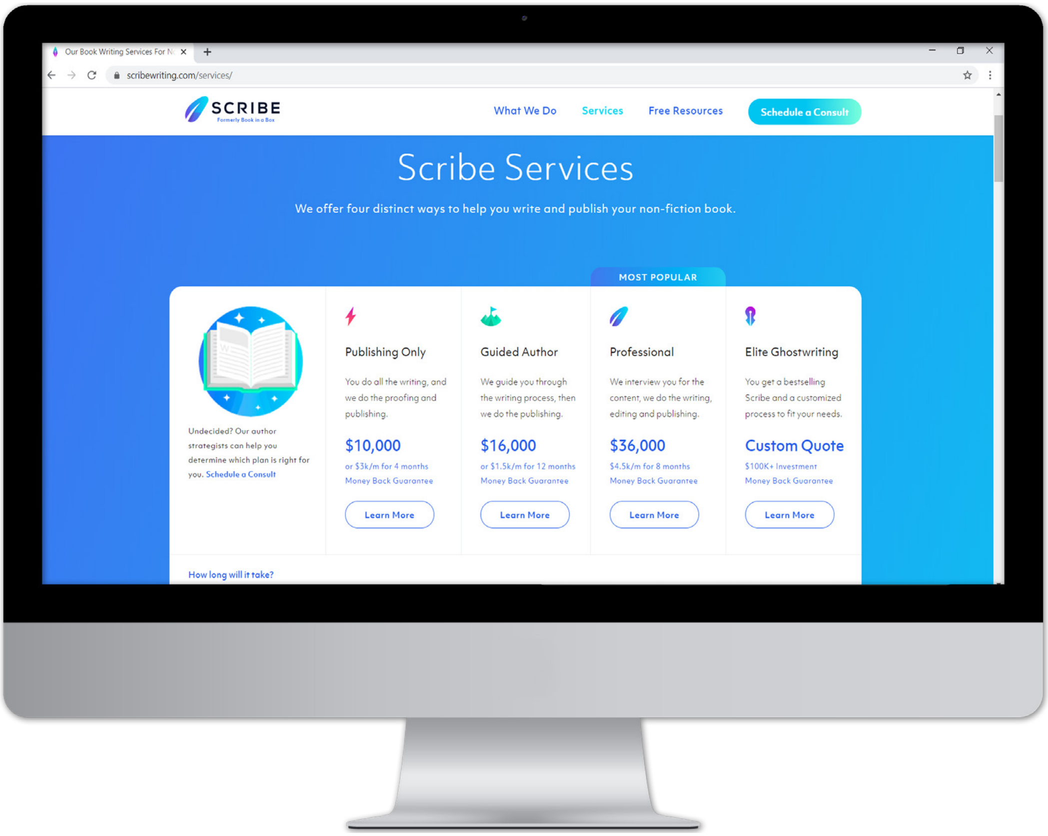
Spiffy does this by anticipating and addressing potential objections like “what if I’m not happy?” “What if you damage my car?” “Who is going to do the work?” “What impact will it have on the planet?”



STEP 7 Price It

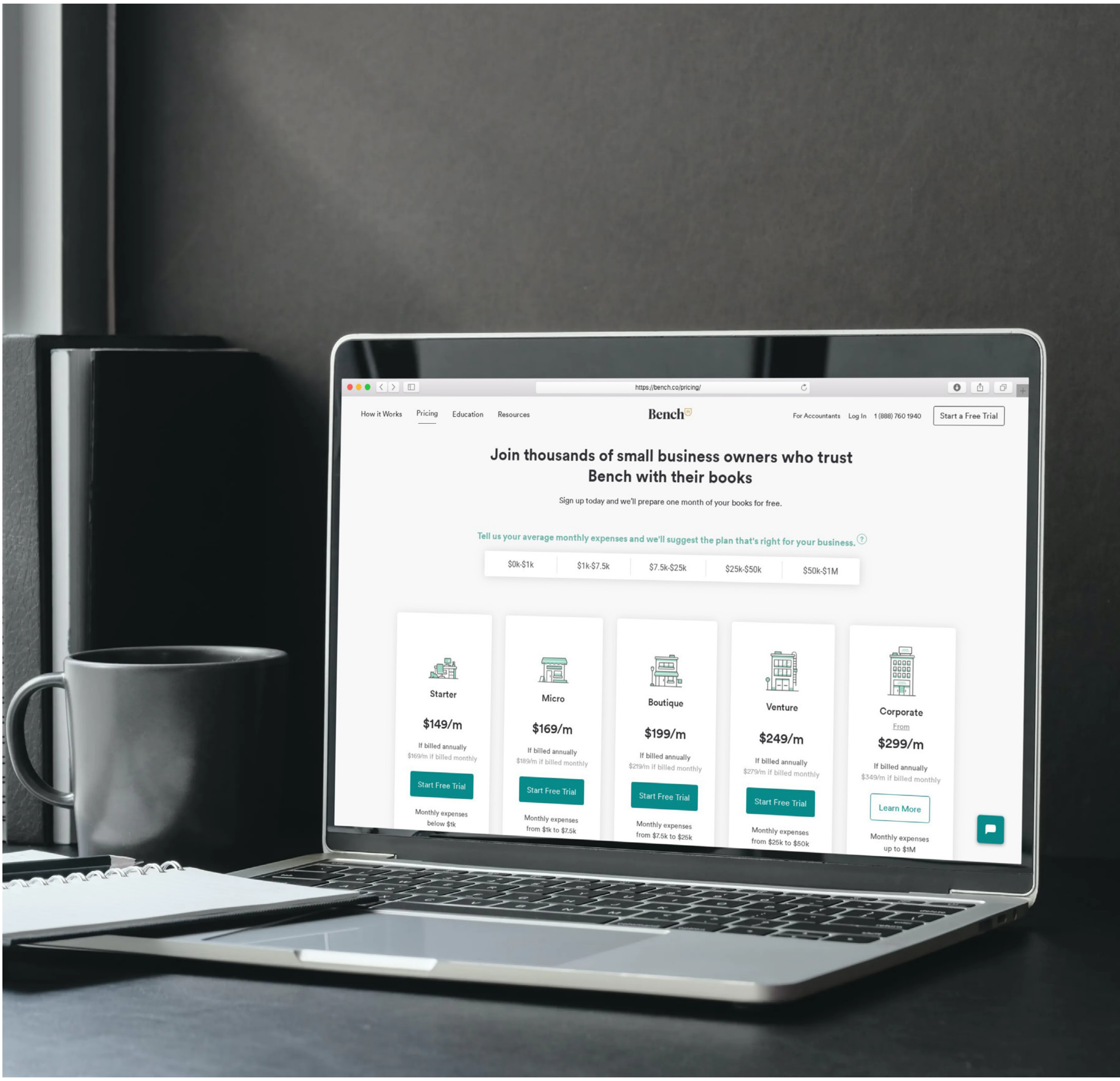
Services are quoted by the hour, day, or project and usually come at the end of a custom proposal. Products publish their price, which is one reason they feel more tangible. A published price communicates that you have a standard offering that doesn't change for each consumer.

Instead of just starting a consultancy, author Tucker Max productised his insight into Book In A Box (BIAB), a repeatable process for developing a book. The company was renamed Scribe, and you can see how they price their service, making it look more like a product.



Instead of general bookkeeping services, Bench is a combination of software and human services. You upload your bank data into their software, and they provide income statements and balance sheets every month.

Like any excellent productised service, they've branded it and priced it.



STEP

8 Manufacture Scarcity

One of the benefits of a service business is that you always have sales leverage because your time is scarce. Because you can't make more hours in the day, customers know they need to act to get some of your time.

With a product business, where your offering is always available, you need to give people a reason to act today rather than tomorrow. This means you need to manufacture a reason to act from scarcity.

One of the reasons Jason Swenk uses an "invite-only" approach to his mastermind is to maintain the illusion of scarcity. You can't buy a spot, and you must "request an invite."

Conclusion

Productizing your service makes it more tangible for consumers. It also allows you to hire people to deliver your offering because it's the same every time. That's why some of the most successful services companies go out of their way to package their service like a product. Today, in the depths of the COVID-19 pandemic, productising is more critical than ever.

Curious to Learn More About How to Productise Your Service?

ValueBuilder.com

The **Value**Builder System™
Double Your Value. Double Your Offers. **Control Your Future.**

The Value Builder System™ is a simple method for building the value of a company that is used by thousands of businesses worldwide. Offered by a global network of independent advisors known as Certified Value Builders, The Value Builder System™ incorporates several diagnostic tools, including the Value Builder Score. Those businesses that achieve a Value Builder Score of 90 or greater are worth double our average-performing business.