

Identifying your Competitive Advantage and developing your Unique Selling Proposition.

First, a blank piece of paper is required (at least metaphorically), to sit down and clearly define your business. Secondly, we'll go through a methodical process to arrive at a clear competitive advantage (that's something that you do better than your competitors, funnily enough) and then your USP.

Assessing your core competencies and competitive advantage.

Your competencies are areas you/your business excel in relative to your competitors and industry. First, identify your interests, abilities, strengths and passions. What are you the best at and could you be viewed as an expert or advise upon? This is not only about you, the individual, but your company as well. What are you good at and are better than your competitors at?

These are then areas that you and your business are competent in and do better than most; thus, your core competencies. Make a list of these points. These points will assist in clarifying the second part of the process.

What is the key point of difference that stands out above your competitors and that they can't replicate very easily? Some examples: maybe you have a fantastic location, sole agency for a product range, the best sales team. **This is your competitive advantage:** but it has to be sustainable. It's not good telling the world about something (or not leveraging your competitive advantage) and then someone comes along and does it better than you; it's now your competitive disadvantage! Your competitive advantage may very well change and evolve or it may even morph into another new better competitive advantage, but one has to look at planning for that to happen (or make it happen), or someone else will come along and do it quicker, better and cheaper than you.

With the exercise complete, use your competitive advantage. I realise I'm stating the obvious, but it is what will significantly assist in driving your business forward, so use it.

"An organization's ability to learn, and translate that learning into *action* rapidly, is the ultimate competitive advantage."

Jack Welch – former CEO of General Electric

What differentiates you?

(Note: some may argue that it should be a UBP – unique buying proposition, rather than a USP, as it's for the benefit of the customer; but for the purposes here (and using a "pull" marketing philosophy) we'll continue down the path of describing your unique point(s) that will appeal to prospects and define your business' focus.)

Firstly, why? Well if one doesn't differentiate *clearly* in the market place now, more than likely in a very short space of time they'll become one of the sad statistics. You need to know exactly

- what your business is?
- what differentiates you?
- how you help consumers?

If you can't answer those three questions now – don't carry on reading till you can. A business isn't a goods (or services) producing process, it's a satisfying customer needs and wants process. To paraphrase a talented young CEO "you're not in the business of manufacturing drill bits, you're in the business of helping people make holes".

"Your premium brand had better be delivering something special, or it's not going to get the business."

Warren Buffet – Billionaire investor (and philanthropist)

Developing a Unique Selling Proposition

A USP is a brief statement (which may be refined to a few words to use as a tag line or company slogan) that succinctly and compellingly states your uniqueness, strengths, mission, and vision (it may include all or some or only one of these elements) that your company brings to the market place. There's no right or wrong here, merely the ability to define and communicate **why** they should

choose you. If you don't know why a customer so choose to use you, go back and answer the three questions above.

Before we look at developing your USP, first a question – do you have a positioning statement? No, thought so. Very few businesses do (it's the virtual space we want to occupy in the minds of our target markets through the product/service offering, image, brand, perceptions, associations, etc.) Here's how to generically write one:

The method: to *{target group and need}* our *{brand – be it company or product}* is *{describe your concept}* that *{point of difference}*. An example: to small and medium sized business owners wishing to increase their sales, joint venture marketing is the management consulting firm that has a hands on approach that directly assists business owners growing their business, because we have owned our own successful businesses and through real life experience have a proven track record of adding value.

Why did I just interject with this exercise? Because it will help considerably if you complete the statement for your business as you will then be well on your way to developing a USP.

“Sometimes the situation is only a problem because it is looked at in a certain way. Looked at in another way, the right course of action may be so obvious that the problem no longer exists.”
Edward de Bono - Motivational Author and Physician and creator of lateral thinking.

So, how to develop a USP: guess what? You've pretty well done it. Yep, you should have defined what is unique about your business/product or service. Now this may not be something to use as a marketing message (as it maybe a little too long), but it will describe why you're unique to a target market – and that's what this is about. From this you can then provide messages that revolve around this key point or use other messages that appeal to that key factor you have, but I'm digressing and that's another topic. There are plenty of really good examples out there, look at “best practice” businesses outside of your industry to look at what they're communicating.

From here though I would recommend you develop the “elevator pitch”. Yes, it's exactly that - you've got 10 – 25 seconds in a lift, and someone asks what do you do? What do you say? The core element of what you tell them is your position statement/USP, it will more than likely need further elaboration rather than the terse version, but you have the foundation.

Incidentally, the best USP I've come across that epitomises this process is the original USP of FedEx: “guaranteed, overnight delivery”. It's all there, the business model, the process, the strategy the risk reversal and competitive advantage. And Fred Smith has done alright!

Your level of success is only limited by yourself.

Best wishes, Vaughan

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