

The Competitive Advantage Bakers Dozen: Principles for the Quest

By Jonathan Narducci

We are all looking to increase our competitive advantage. So, where do we search? Do we *look in the coffers* of our competitors? Do we *wait* for customers to ask us to deliver potential competitive advantages? Is that what market leaders do?

Market leaders create unique competitive advantages, those that *separate* them from their competitors. They constantly "delight" their customers with products and services that go beyond expectations. They sometimes even provide solutions to their customer's problems *before* they are requested!

How? By constantly looking for competitive advantage in all the right places using the following set of guiding principles!
Market leaders...

1. ...look in places they control.

Market leaders know their customers. They know who their potential customers are! They control how and when they learn about their customer's needs and what it takes to create and deliver value to satisfy those needs. They don't *follow* their competitors. They control them by producing advantages that cause them *to follow!*

2. ...differentiate from their competitors.

Market leaders make sure that any competitive advantage that they develop is unique. That doesn't mean that no one else may have it. It does mean that in order for it to be an advantage, they differentiate any competitive initiative. For example, if a competitor unites with partners to offer a cooperative product package, but keeps each component's service decentralized, the market leader counters with a similar package that gives the customer centralized, single contact, support.

Also, they recognize that their competitor's advantages are not only based on product and service content, but also based on their ability to create and deliver that content. Market leaders know that just because their competitors have the ability doesn't mean they do. They know that in order to add value (plus unique additional value) they have to add, one way or another, appropriate competencies.

3. ...investigate their customer's product, operations, and strategic needs.

Market leaders fully understand, for example, their customer's product requirements, product ownership costs, and future directions. They find competitive advantage by

providing "just in time" product training as well as custom product solutions for each of their customer segments.

4. ...alleviate risks their customers confront.

Market leaders recognize that their customers face certain risks when they purchase products and services. Risks that include: unstable pricing, products that don't meet their quality goals, and the addition of new operational procedures. Market leaders work with their customers to prioritize risks and eliminate the impact.

5. ...moderate their customer's constraints.

Market leaders know that their customers operate under certain constraints (i.e. budgeting, personnel, and company policies). For example, if their customer's "ability to pay" is based on seasonal business cycles, then market leaders may develop payment schedules to coincide with those cycles.

6. ...have the ability "to do things right."

Market leaders have identified the skills they need to succeed. They find competitive advantage in developing or acquiring exceptional skills that not only cover their ability to develop and deliver products but also, for example, to constantly invent new products and effectively communicate the innovative benefits to their customers.

7. ...implement the capability "to do the right things at the right time."

Market leaders have a robust set of business, operational and product development processes because they know that applying exceptional skills at the right time on the right activities helps them prevent rework when selling, developing products and services, and implementing them.

8. ...acquire tools for efficient performance.

Market leaders magnify their already highly effective skills and processes by buying or building tools that make them more efficient. They know they find competitive advantage by applying tools to help them with, for example, project planning, stakeholder communication, and the timely acquisition of activity based information (i.e. information for market and competitor analysis).

9. ...allocate necessary resources.

Market leaders not only have the right skills but enough of them. They make sure that budgets are in place and people are hired *before* projects begin or programs are implemented.

10. ...develop deliverables to satisfy competitive advantage initiatives

Market leaders make sure that each product or service offering is complete, has all the required parts, and meets the quality objectives of each customer segment. That is, each product or service has, for example, all necessary "easy to use" documentation and training aimed at diverse user experience levels.

11. ...evaluate time requirements

Market leaders are not only effective in developing "market window" timetables but also understand their customer's. Supplying products and services to meet customer timetables is not only a competitive advantage for the market leader but also their customers, compounding the advantage's effect.

12. ...build plans to implement newfound competitive initiatives

Once a market leader determines what competitive advantage initiatives will make them more successful, they make sure that they can be integrated into corporate strategies. Then they create action plans that increase the probability they will be implemented effectively and efficiently. Market leaders know that an initiative without a plan won't go anywhere.

13. ...balance each principle against all the others

Even if the market leader uncovers a new opportunity to increase competitive advantage, they know that they can't implement it without the requisite skills, processes, or resources. They are constantly balancing each principle against the others for success!

Market leaders know that each principle points to an abundance of competitive advantage opportunities, way beyond the few mentioned here. They evaluate how well they comply with each principle on a periodic basis, knowing that their competitive advantage is increased by a steady, constant improvement in their compliance level.

Copyright Narducci Enterprises 1998

Narducci Enterprises
10 Marty Drive
Merrimack, NH 03054
603-424-3685
email: Jonathan@NarducciEnterprises.com