

Are You Trying to Be “All Things to All Customers?”

I was in an executive’s office the other day and saw on his wall a piece of paper that he obviously created which described how his company competed against the competition. It described how his company was great at developing innovative products, great at being intimate with customers, and also great at providing low cost solutions. I asked him how his company could be great at all three of these disciplines and he said that it was necessary in order to be successful these days. I then asked if his company was *really* great at any, or all three disciplines, and with a frown he said, “No”.

If you are not familiar with Michael Treacy and Fred Wiersema’s book, The Disciplines of Market Leaders, you should read it or buy the summary article, Customer Intimacy and Other Value Disciplines. Treacy and Wiersema explain that in order to be successful, a company needs to focus and master one of three value disciplines:

- *Operational excellence* – providing customers with reliable products or services at competitive prices with very little inconvenience (Amazon, Honda);
- *Customer intimacy* – segmenting and targeting niche markets then tailoring offerings to match those niches (Nordstrom, USAA); and
- *Product leadership* – offering innovative and leading edge products or services (Bose, BMW)

The key to the concept is the focus on mastering ONE of the disciplines and not trying to be ‘all things to all people’. Growth Strategy Partners includes defining a company’s primary method of competition in almost every project we provide because it is that important. In most cases, the leadership team doesn’t agree upon how the company competes, and they typically haven’t asked their customers, who in fact decide what is most important. Here is what we suggest you do to define your company’s primary method of competition and become more successful.

First, have your leadership/management team read the article mentioned above and agree upon how your company demonstrates or provides each method. Think in terms of your *customer’s perspective*. Then, have each executive prioritize what he or she thinks is the company’s primary, secondary and tertiary method of competition. Finally, have each executive identify how important each method is using a total of 100 points and compare them. See one executive’s example below.

Discipline	Priority	Importance
Customer Intimacy	1	60
Product Leadership	2	30
Operational Excellence	3	10

If everyone agrees on the priorities and importance then you’re a much more aligned team than most. If not, now the fun begins as you need to agree upon which method is first, second and third and with what importance.

Once you’ve prioritized how you compete, then you can build strategies and action items to drive it though your business. If you need any help along the way, feel free to give us a call.

Growth Strategy Partners LLC accelerates the revenue and profit growth and performance of small and mid size businesses by implementing its research based 7 Keys to Growth. To learn more visit www.GrowthStrategyPartners.com or call Chris DiCenso at 781.837.3276