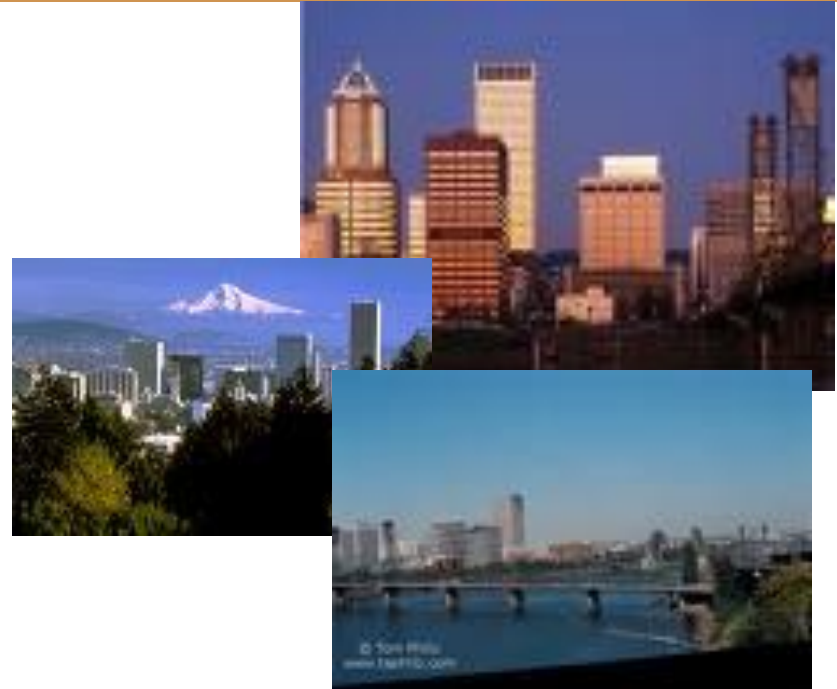


Welcome to Portland SCORE

Competing & Winning Determining Value by Knowing What Drives Your Customer

Seminar Leader...

Griff Lindell



What *is* SCORE?

Counselors to America's Small Business



SCORE provides professional guidance and information to maximize the success of America's **existing** and **emerging** small businesses.

What is SCORE?

A Non-Profit Organization

- Over 390 chapters, 800 offices,

Experienced Volunteers

- 10,500+...all facets of business

Personal Counseling & Mentoring - FREE

- Face-to-Face, Telephone, On-Line

Workshops & Seminars

- 6,746 last year reaching 117,480 clients



Counseling & Learning



Effective personal counseling
plus
Powerful learning resources.
Helping make success happen!



Agenda

- Facility
- Introduction
 - Name
 - Business type
 - Biggest competitive challenge today
- Hands-on workshop
- Evaluations

Meeting Workshop Attendees

Name

Type of Business

Biggest competitive challenge today

Competing

Providing Value
Differentiating
Understanding “drivers”
Winning

Knowing Your Competitor Thoroughly

...by the value they deliver

A detailed look at customer expectations, how well you meet them, and the relative strengths and weaknesses of your major competitors.

Customer Expectations

- The whole product experience
 - More than core features
- What do customers find most important in their decision making?
- Just how important is each factor?
- How well do you and your competitors measure up?

Example: cell phone manufacturer

Making a list of what drives
the buyers – “Drivers of
Buying Behavior”

Listing Drivers



Reputation
of the firm

Fiscal
stability

Ease of
doing
business

Global reach

Speed of
performance

Clarity of
performance

Ease of use

Technology
utilized

Warranty

Phone
support

Operation and
Maintenance
Manuals

Customer
Training

Delivery
schedule

Loaners
while waiting

Local parts
depot

JIT
capability

Discuss & choose the drivers for
each company in your group.

Variety of choices

Choose the Top 8 Drivers



Reputation
of the firm

Fiscal
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depot

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capability

Circle 8

For *each* company – help each other by discussing which of the list *you* think has importance.

Not All Drivers are Created Equal

- Weighting
- Value delivered
- Expectation of value

Weighting Scale

- 5 = Absolutely critical; a make or break concept
- 4 = Very important; not much room for compromise
- 3 = Important but negotiable
- 2 = A nicety; desirable, but not necessary
- 1 = Of no importance whatsoever; don't even consider

Factors of Buying Behavior	Weight = W	Times 10

Weight Scale

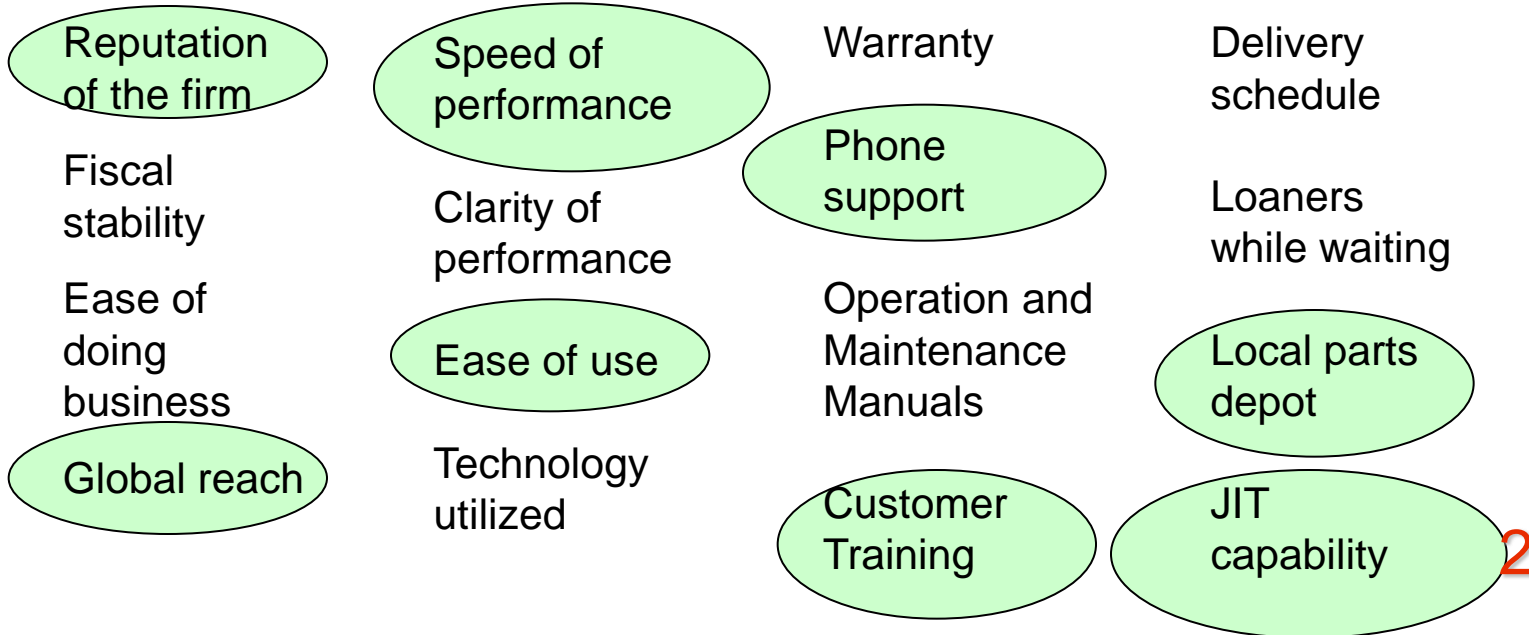
- 5 = Absolutely critical; a make or break concept
- 4 = Very important; not much room for compromise
- 3 = Important but negotiable
- 2 = A nicety; desirable, but not necessary
- 1 = Of no importance whatsoever; don't even consider

Times W	Competitor	Times W	Competitor	Times W	Competitor	Times W
	1		1		1	
	2		2		2	
	3		3		3	
	4		4		4	
	5		5		5	
	6		6		6	
	7		7		7	
	8		8		8	



Choose the Top 8 Drivers

Start with the least important



Choose the Top 8 Drivers



Reputation
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Training

Delivery
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while waiting

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depot

JIT
capability

Weight the Drivers



3

Reputation
of the firm

Fiscal
stability

Ease of
doing
business

4

Global reach

5

Speed of
performance

Clarity of
performance

5

Ease of use

Technology
utilized

Warranty

4

Phone
support

Operation and
Maintenance
Manuals

4

Customer
Training

3

Delivery
schedule

Loaners
while waiting

5

Local parts
depot

JIT
capability

Internal Process

- Debate (don't dictate)
- Compromise as the leader
 - No 4.5 for example
 - Discuss and clarify

**Walk in the shoes
of the customer**

Now – weight your drivers of value for your company

Process

1. Weight individually
2. Discuss with group
3. Adjust as needed
4. Then.....

Circle 8

For *each* company – help each other by discussing which of the list *you* think has importance.

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Take out this sheet, and...

Top Eight Drivers of Buying Behavior	Weight = W	Times 10
1		
2		
3		
4		
5		
6		
7		
8		

Weight Scale

- 5 = Absolutely critical; a make or break concept
- 4 = Very important; not much room for compromise
- 3 = Important but negotiable
- 2 = A nicety; desirable, but not necessary
- 1 = Of no importance whatsoever; don't even consider

You	Times W	Competitor	Times W	Competitor	Times W	Competitor	Times W
1		1		1		1	
2		2		2		2	
3		3		3		3	
4		4		4		4	
5		5		5		5	
6		6		6		6	
7		7		7		7	
8		8		8		8	

Record YOUR 8

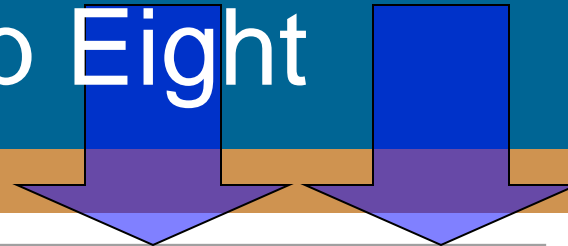


Top Eight Drivers of Buying Behavior	
1	Variety of choices
2	
3	
4	
5	
6	
7	
8	

Weight your Drivers

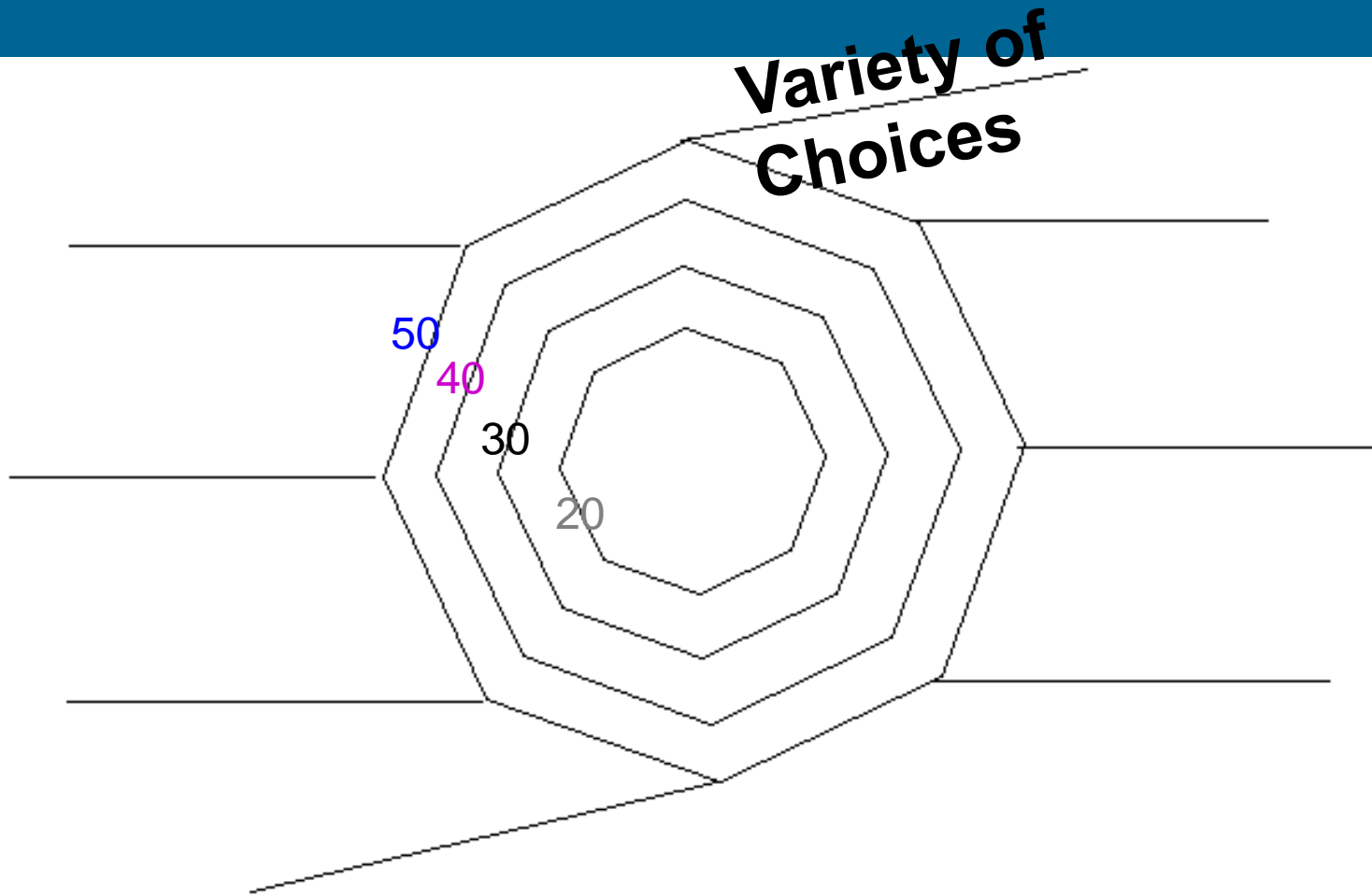
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- 4 = Very important; not much room for compromise
- 3 = Important but negotiable
- 2 = A nicety; desirable, but not necessary
- 1 = Of no importance whatsoever; don't even consider

Your Top Eight



Top Eight Drivers of Buying Behavior	Weight	Times 10
1 Variety of choices	5	50
2		
3		
4		
5		
6		
7		
8		

Transfer the Top Eight Drivers



List You & the Competitors

- MyCo
- SuckCo
- JunkRUs

Discuss with group your
competitors.

Choose the top three.

List the Competitors



You	Times W	Competitor Name	Times W	Competitor Name	Times W	Competitor Name	Times W
1		1		1		1	
2		2		2		2	
3		3		3		3	
4		4		4		4	
5		5		5		5	
6		6		6		6	
7		7		7		7	
8		8		8		8	

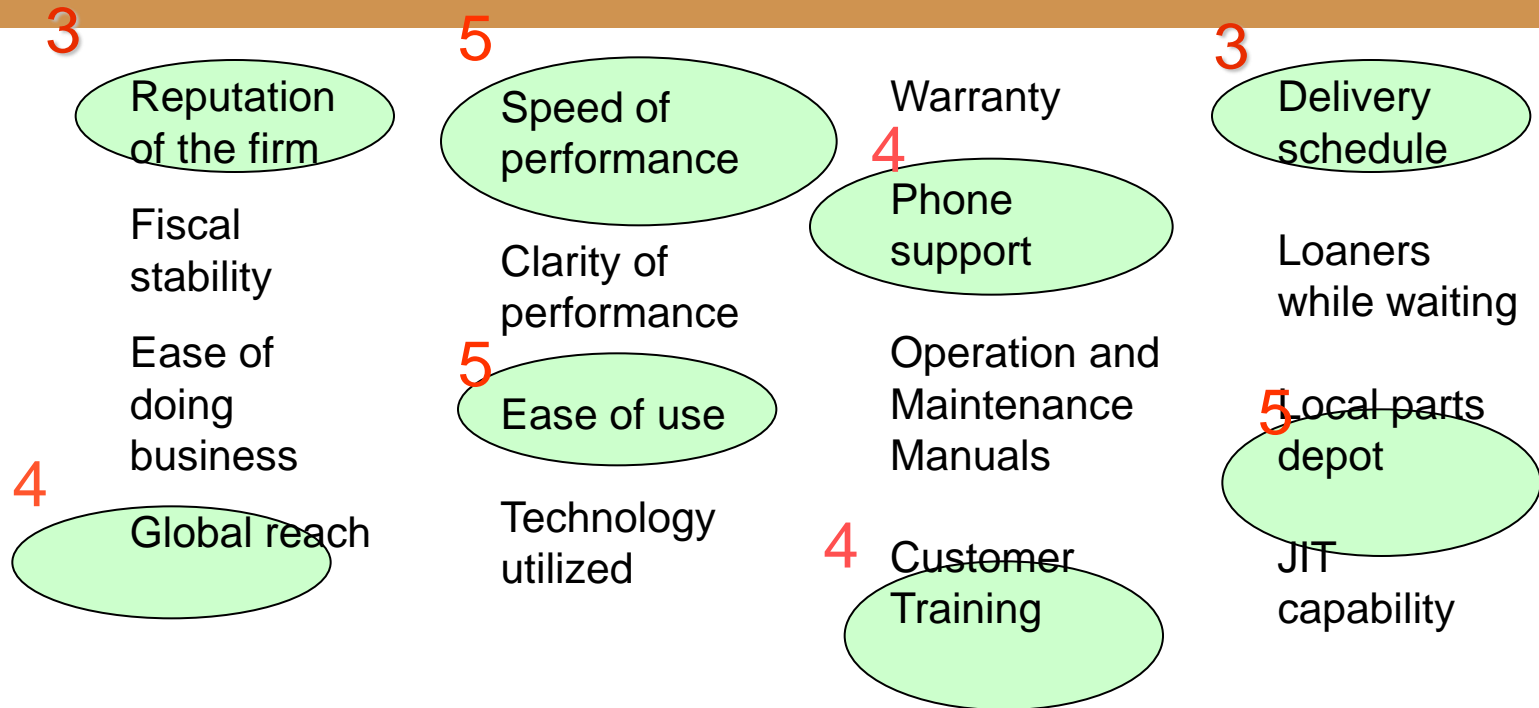
Rating Scale

- 10 = Perfect match to customer needs
- 8 = Strong match to customer needs
- 6 = Moderate match to customer needs
- 4 = Weak match to customer needs
- 2 = Little match to customer needs
- 0 = No match to customer needs

Rating Scale- You and your competitors

- 10 = Perfect match to customer needs
- 8 = Strong match to customer needs
- 6 = Moderate match to customer needs
- 4 = Weak match to customer needs
- 2 = Little match to customer needs
- 0 = No match to customer needs

The Weighted Drivers



Rate

- 10 = Perfect match to customer needs
- 8 = Strong match to customer needs
- 6 = Moderate match to customer needs
- 4 = Weak match to customer needs
- 2 = Little match to customer needs
- 0 = No match to customer needs

w Well

Driver	Reputation	Global	Speed	Ease of Use	Phone support	Training	Delivery	Local Parts
Weights	3	4	5	5	4	4	3	5
Vendor Ratings								
MyCo	6							
Suko Corp	8							
JunkRUs	10							

Let's Rate *Your* First Attribute

How Well All “Deliver”

You	Times W
1 8	
2	
3	
4	
5	
6	
7	
8	

Your Top Eight

Top Eight Drivers of Buying Behavior

1	Variety of choices
2	
3	
4	
5	
6	
7	
8	

Competitor Name	Times W
1 7	
2	
3	
4	
5	
6	
7	
8	

Rating Scale

10 = Perfect

8 = Strong

6 = Moderate

4 = Weak

2 = Little

0 = No match to customer needs

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- 10 = Perfect match to customer needs
- 8 = Strong match to customer needs
- 6 = Moderate match to customer needs
- 4 = Weak match to customer needs
- 2 = Little match to customer needs
- 0 = No match to customer needs

Driver	Reputation		Global		Speed		Ease of Use		Phone support		Training		Delivery		Local Parts	
Weights	3		4		5		5		4		4		3		5	
Vendor Ratings																
MyCo	6		7		10		9		8		6		5		8	
Suko Corp	8		7		6		7		8		6		8		6	
JunkRUs	10		4		3		8		4		7		7		5	

Finish - How Well All “Deliver”

You	Times W	Competitor Name	Times W	Competitor Name	Times W	Competitor Name	Times W
1	8	1	5	1	10	1	7
2	9	2	8	2	6	2	2
3	4	3	7	3	4	3	5
4	6	4	5	4	9	4	8
5	8	5	8	5	8	5	8
6	7	6	7	6	9	6	3
7	9	7	5	7	8	7	6
8	7	8	7	8	9	8	3

Rating Scale

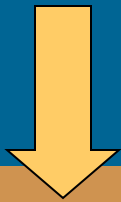
- 10 = Perfect match to customer needs
- 8 = Strong match to customer needs
- 6 = Moderate match to customer needs
- 4 = Weak match to customer needs
- 2 = Little match to customer needs
- 0 = No match to customer needs

Weight X Rating = Value Profile

Driver	Reputation	Global	Speed	Ease of Use	Phone support	Training	Delivery	Local Parts
Weights	3	4	5	5	4	4	3	5
Vendor Ratings								
MyCo	6	7	10	9	8	6	5	8
Suko Corp	8	7	6	7	8	6	8	6
JunkRUs	10	4	3	8	4	7	7	5

Note: The table above shows the raw data. The weighted values (e.g., 18, 24, 30) are calculated by multiplying the Vendor Rating by the Weight for each driver. For example, MyCo's Reputation score is 6, and the weight for Reputation is 3, resulting in a weighted value of 18.

Finish - How Well All "Deliver"



You	Times W	Competitor Name	Times W	Competitor Name	Times W	Competitor Name	Times W
1	8	1	5	1	10	1	7
2	9	2	8	2	6	2	2
3	4	3	7	3	4	3	5
4	6	4	5	4	9	4	8
5	8	5	8				
6	7	6	7				
7	9	7	5				
8	7	8	7				

40

25

50

35

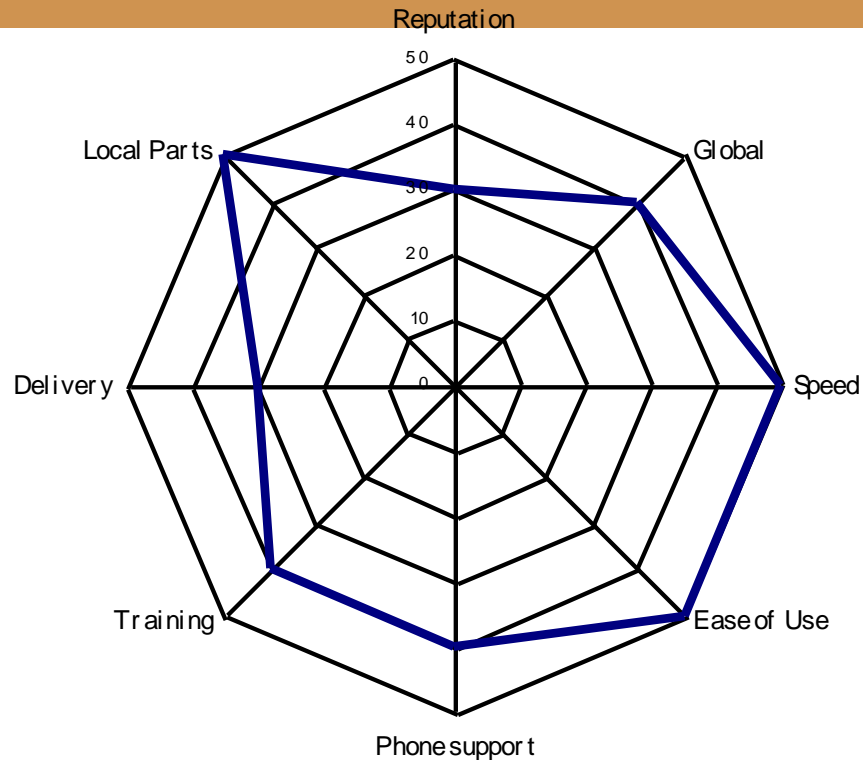
Rating Scale
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 4 = Weak match to customer needs
 2 = Little match to customer needs
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Your Top Eight

Top Eight Drivers of Buying Behavior	Weight
1 Variety of choices	5
2	
3	
4	
5	
6	
7	
8	

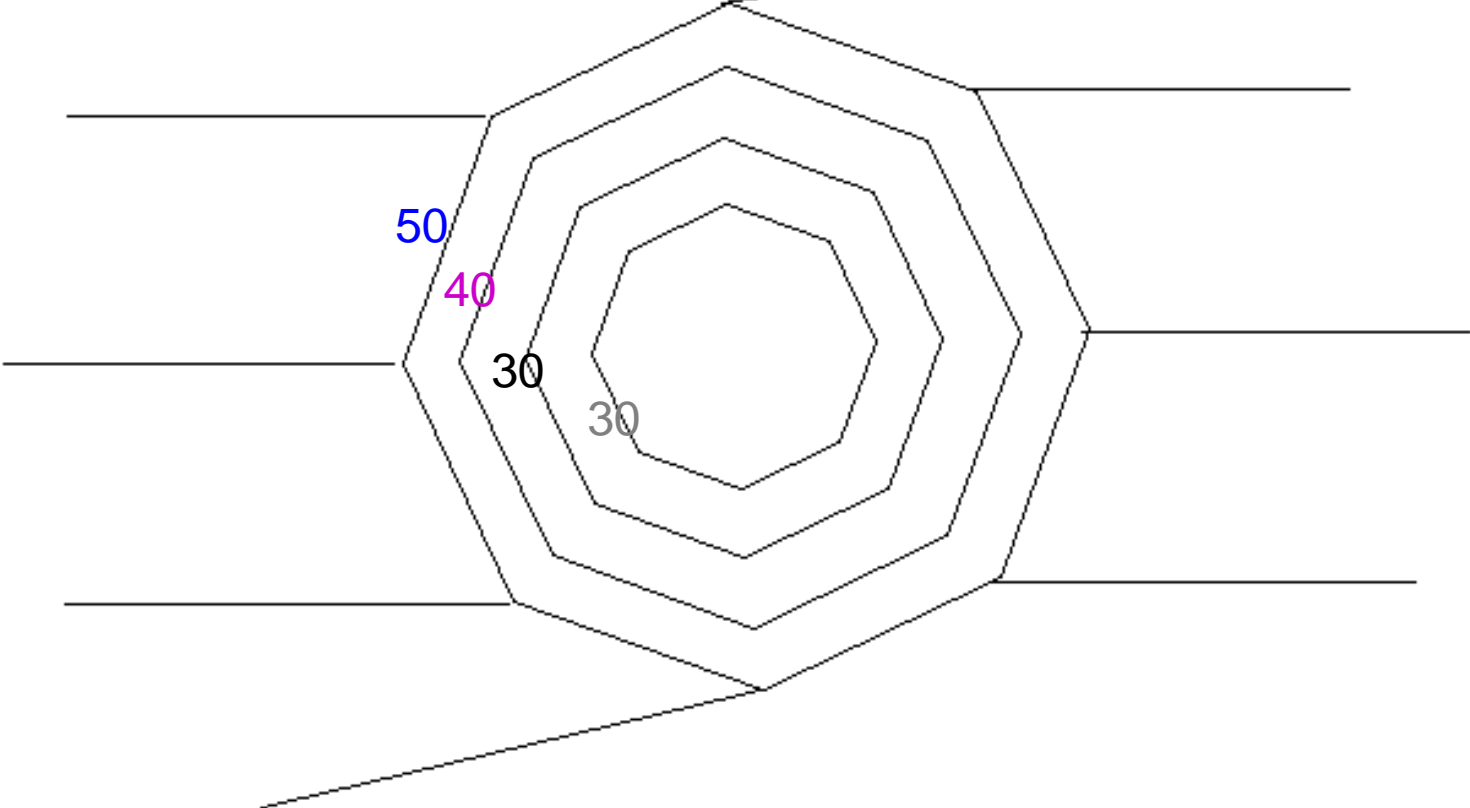
Fill in your chart

The Perfect Value Profile

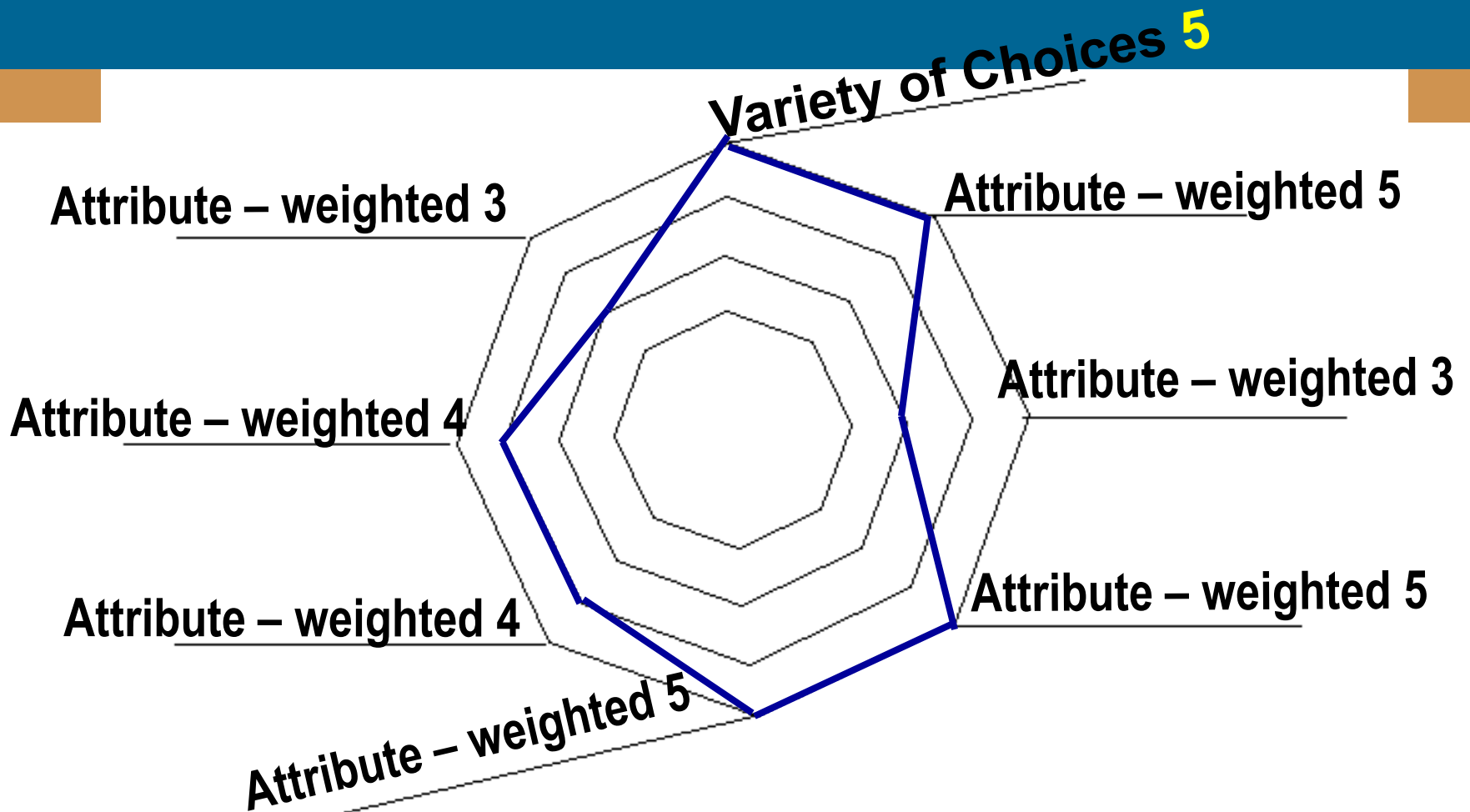


Transfer the Top Eight Drivers

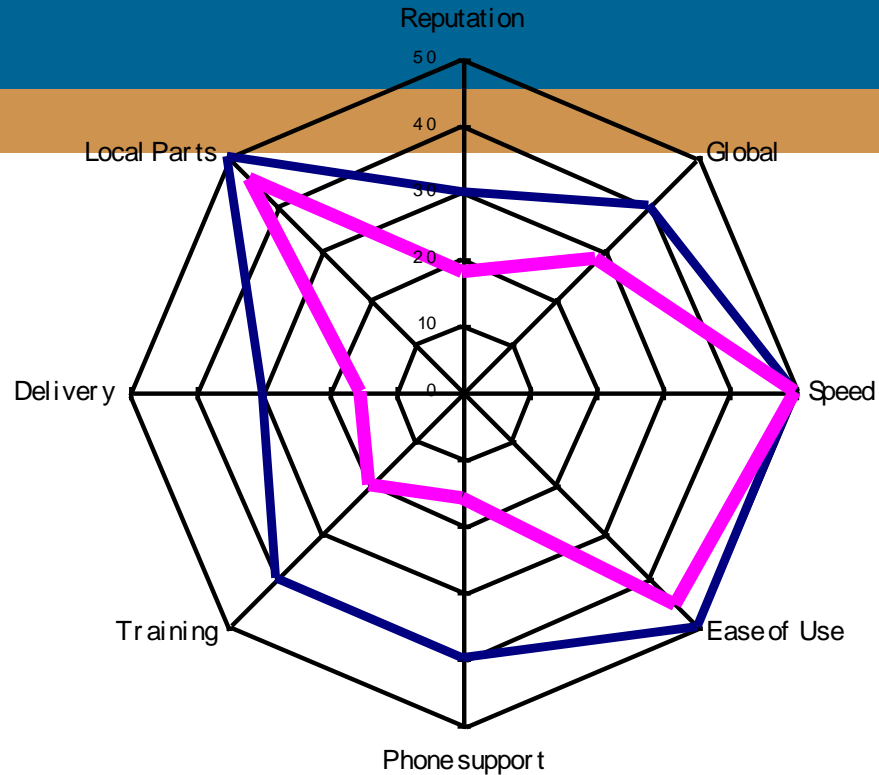
Variety of Choices



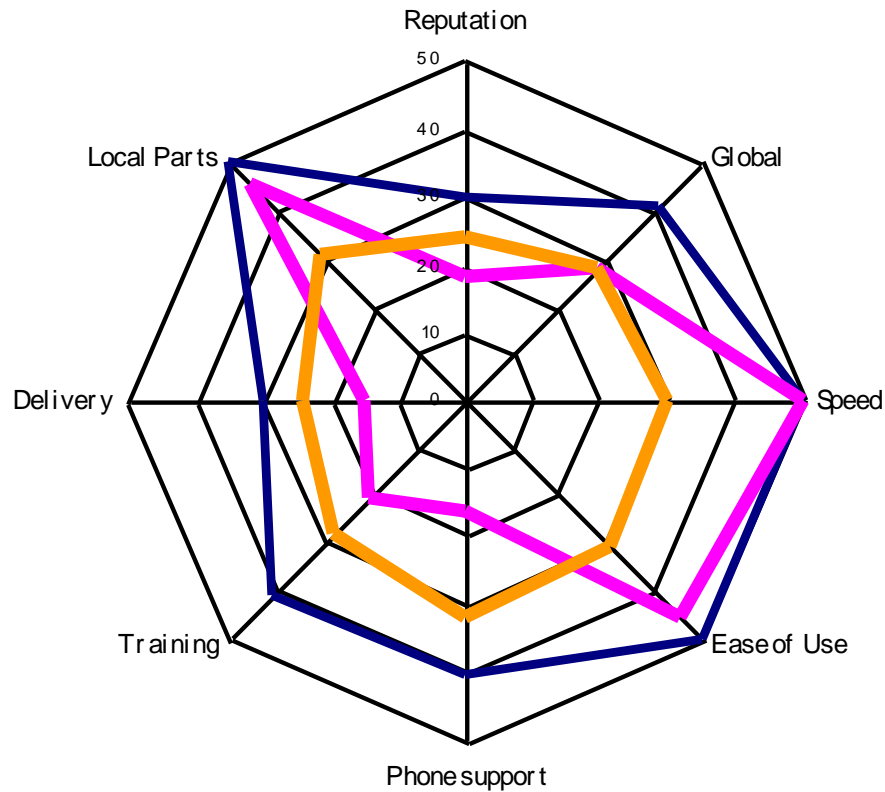
“Perfect” Value Profile



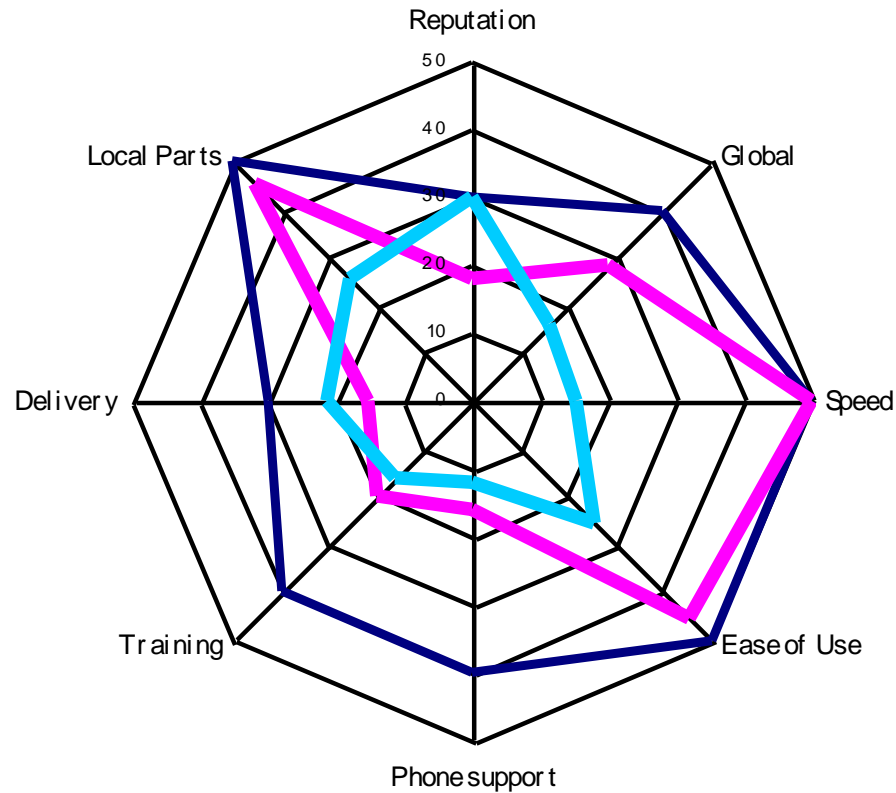
MyCo Vs. the Perfect Profile



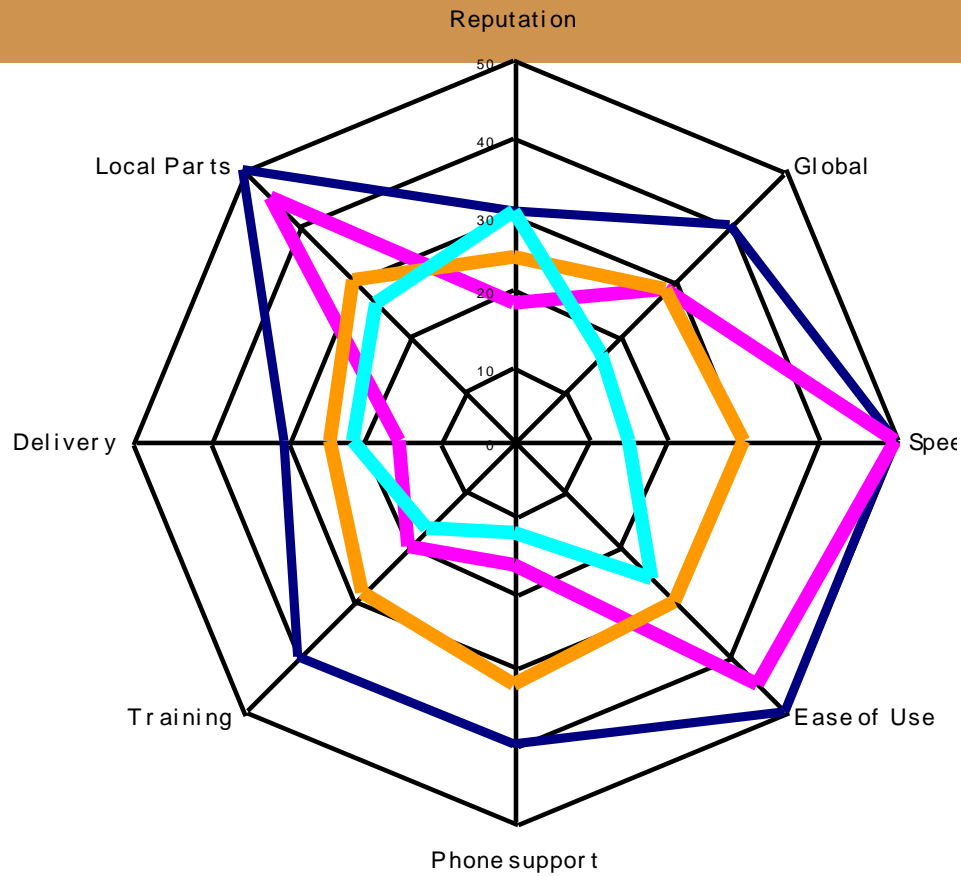
MyCo Vs. Suko Value Profiles



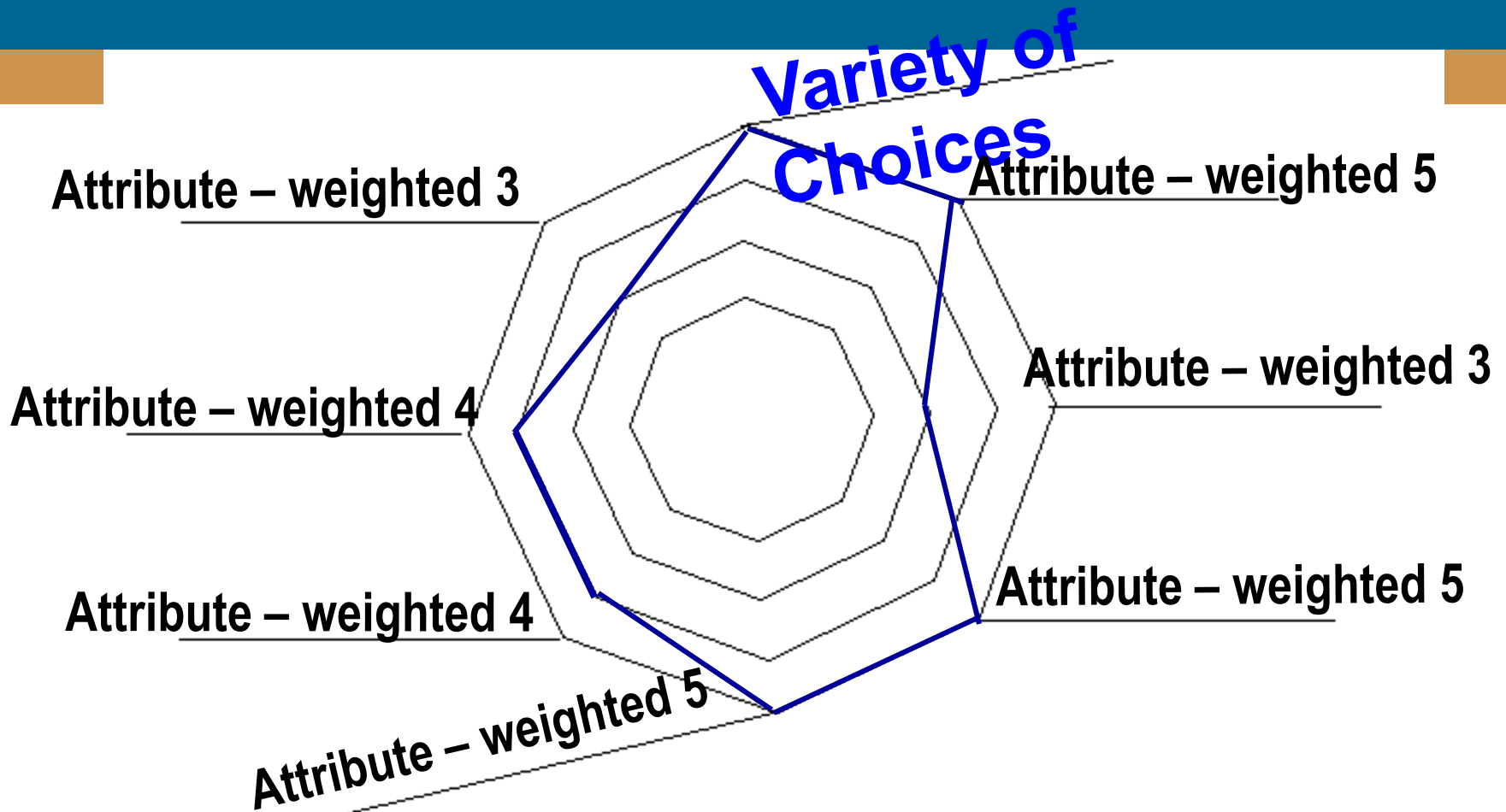
MyCo Vs. JunkRUs Value Profiles



Competitive Radar: All Vendors

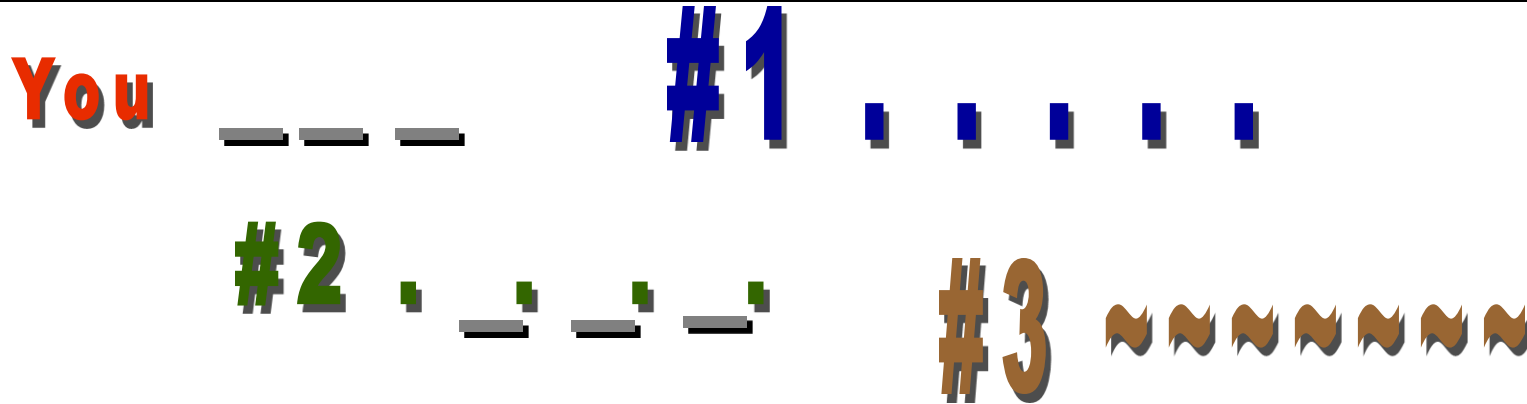


Plot you and each competitor

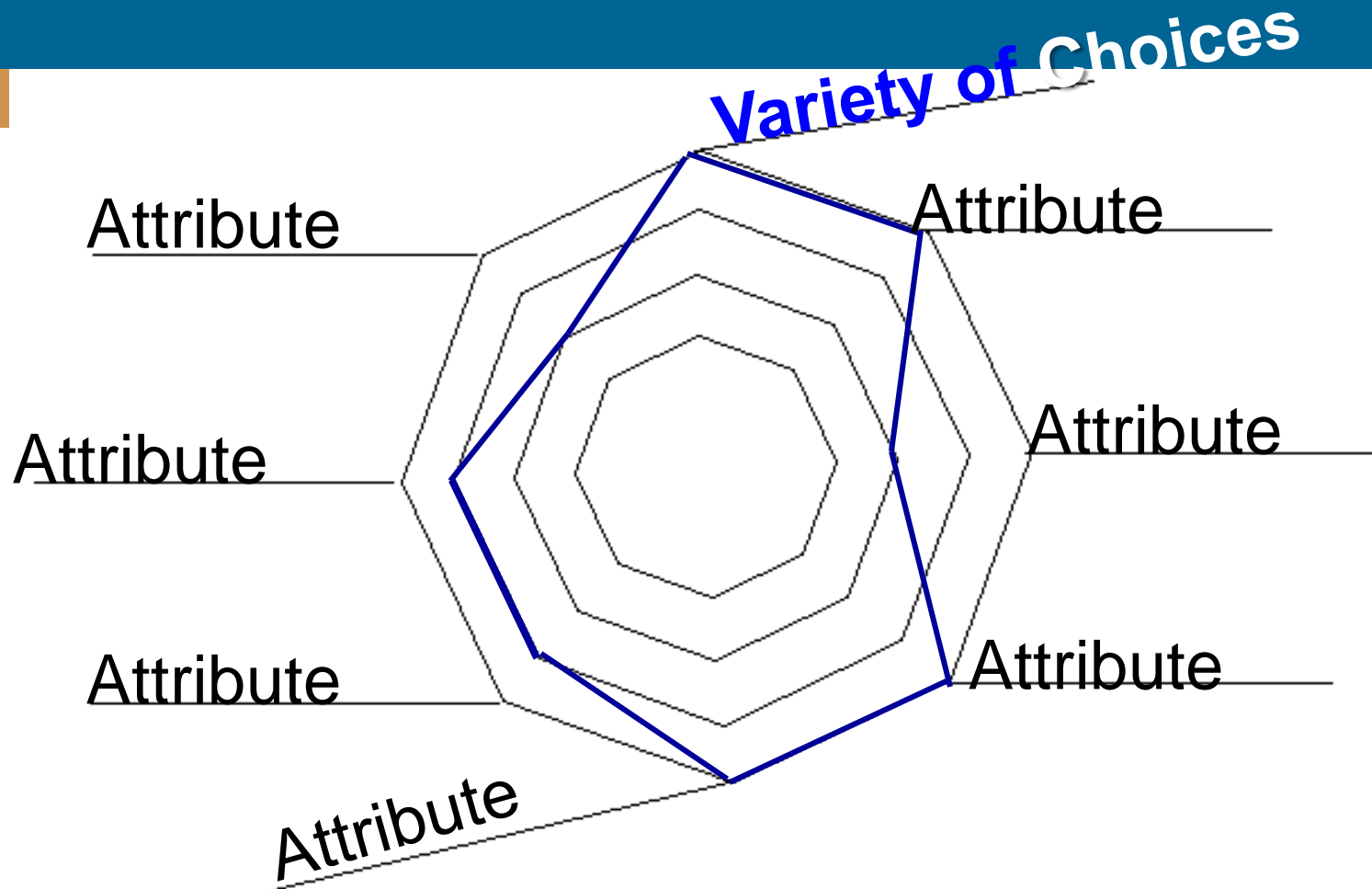


List the Competitors

You	Times W	Competitor Name	Times W	Competitor Name	Times W	Competitor Name	Times W
1		1		1		1	
2		2		2		2	
3		3		3		3	
4		4		4		4	
5		5		5		5	
6		6		6		6	
7		7		7		7	
8		8		8		8	



Plot you and each competitor



Analyzing the Data

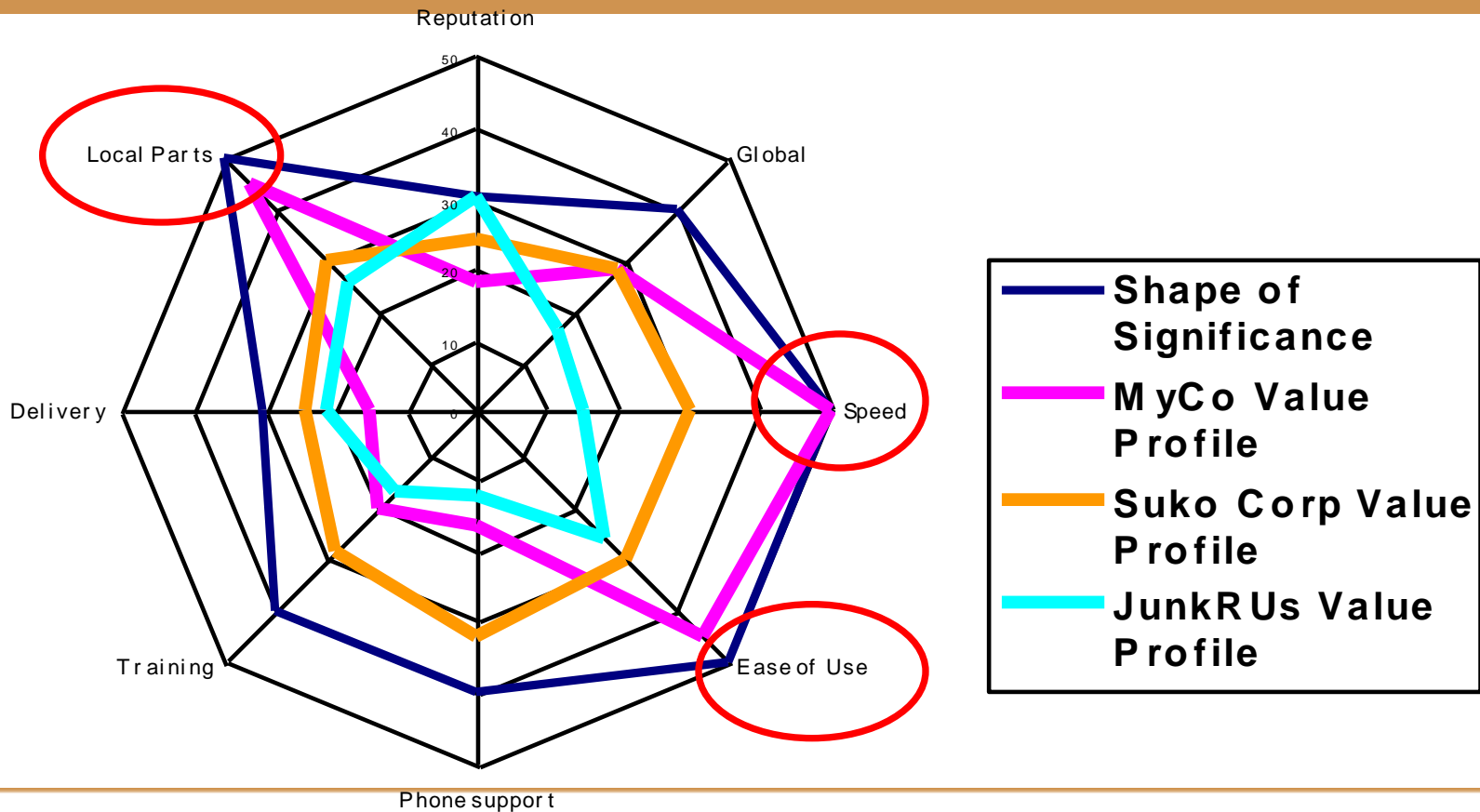
- Strengths

- What categories do we **own**?
- What attributes can we **stress**?
- What battles should we **choose**?

- What differential advantages do we have?
- Are they sustainable?
- Which differentiators are most useful in gaining market share?

Overall- How can we capitalize on our strengths as strategic weapons?

All "Players"



What drivers do you own?



Question 1: What drivers do you own?	
<input checked="" type="checkbox"/>	
<input checked="" type="checkbox"/>	
<input checked="" type="checkbox"/>	
<input checked="" type="checkbox"/>	
<input checked="" type="checkbox"/>	
<input checked="" type="checkbox"/>	
<input checked="" type="checkbox"/>	
<input checked="" type="checkbox"/>	
<input checked="" type="checkbox"/>	

There may be "spokes," or even sets of spokes, where you are measurably ahead of your competitors, AND you come close to meeting customer expectations. Those are the drivers that you "own" in the sense that customers see your offering in a much more favorable light. They see your product as one that delivers satisfaction that is not matched by competition. If that advantage can be protected against duplication, you have a sustainable competitive advantage.

Question 2: What drivers are owned by competitors?	
<input type="checkbox"/>	

Drivers You Own

There may be "spokes," or even sets of spokes, where you are measurably ahead of your competitors, AND you come close to meeting customer expectations.

Those are the drivers that you "own" in the sense that customers see your offering in a much more favorable light.

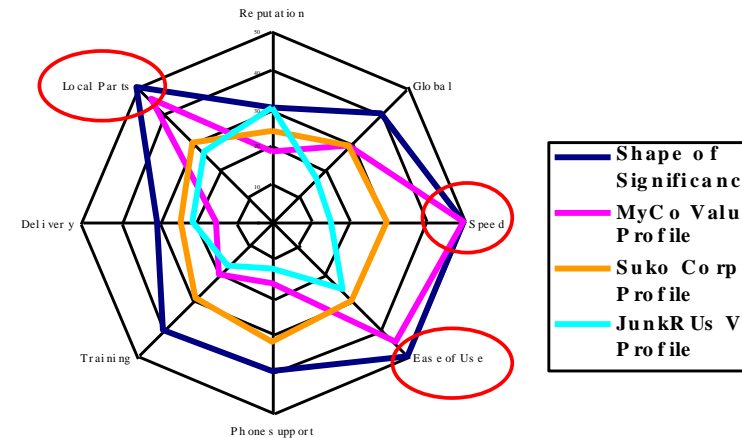
They see your product as one that delivers satisfaction that is not matched by competition. If that advantage can be protected against duplication, you have a sustainable competitive advantage.



Question 1: What drivers do you own?

✓	speed
✓	Local parts
✓	Ease of use
✓	
✓	
✓	
✓	
✓	
✓	

All "Players"



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Fill in your handout of those drivers you own

Question 1: What drivers do you own?	
<input checked="" type="checkbox"/>	
<input checked="" type="checkbox"/>	
<input checked="" type="checkbox"/>	
<input checked="" type="checkbox"/>	
<input checked="" type="checkbox"/>	
<input checked="" type="checkbox"/>	
<input checked="" type="checkbox"/>	
<input checked="" type="checkbox"/>	
<input checked="" type="checkbox"/>	

Analyzing the Data

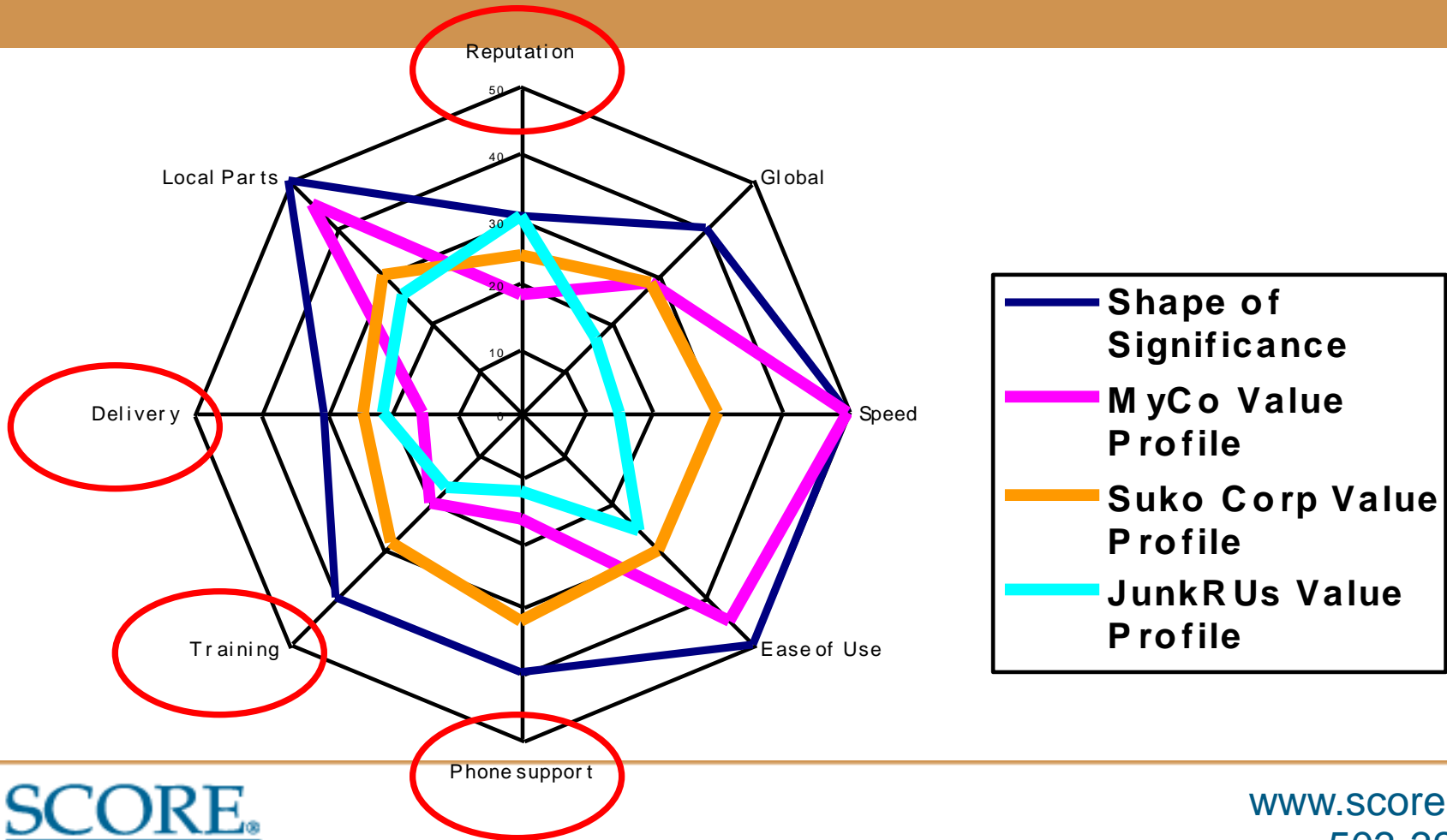
- Weaknesses

- What categories need much **attention**?
- What attributes need **strengthening**?
- What battles should we **avoid**?

- What are the key differentiators for competitors?
- Are they sustainable?
- Which ones must we attack?

Overall- How can we deal with our vulnerabilities?

Weaknesses



Competition's Drivers

Look for "spokes" where there is a lot of "white space" between what your competitors offer and what you offer.

This means the competitor is beating you on that driver, and the more white space, the worse you are being beaten!

If it's for a driver of high importance (40-50) this could signal a major weakness in winning market share.

What drivers are owned by your competitors?

Question 2: <u>What drivers are owned by competitors?</u>	
<input checked="" type="checkbox"/>	
<input checked="" type="checkbox"/>	
<input checked="" type="checkbox"/>	
<input checked="" type="checkbox"/>	
<input checked="" type="checkbox"/>	
<input checked="" type="checkbox"/>	
<input checked="" type="checkbox"/>	
<input checked="" type="checkbox"/>	
<input checked="" type="checkbox"/>	
<input type="checkbox"/>	

Other Important Questions

3. What drivers are met by most vendors?
4. What drivers does no one meet well?
5. What drivers give room for improvement?
6. What drives buying behavior?
7. How do you provide value?
8. What differentiates you from the competition?
9. How can you take advantage of your differentiation?

Implications of This Analysis

Fight the Right Battles

- Marketing research
- Communications strategy
- Marketing objectives
- Product development
- Financial statement

Avoid the Wrong Battles

Making This Work in Your Business

- Get your employees involved.
- Ask your customers
 - 1 question at a time
 - “We think this attribute is important to our customers” On a scale of 1 – 5 with 5 being absolutely critical, how important is this to you?”

- Evaluation Forms
 - \$45 Coupons