

**EXECUTIVE FORUM**

*“Leveraging Your Market Position...  
A New Weapon for Business Development”*

*Sponsored By*

***Beers & Cutler***

BUSINESS ADVISORS AND CPAs

 **Provident**  
BANK  
*What can we do for you?*

**Starting Point...  
No Longer Business As Usual**

**A PARADIGM SHIFT IS OCCURRING...**

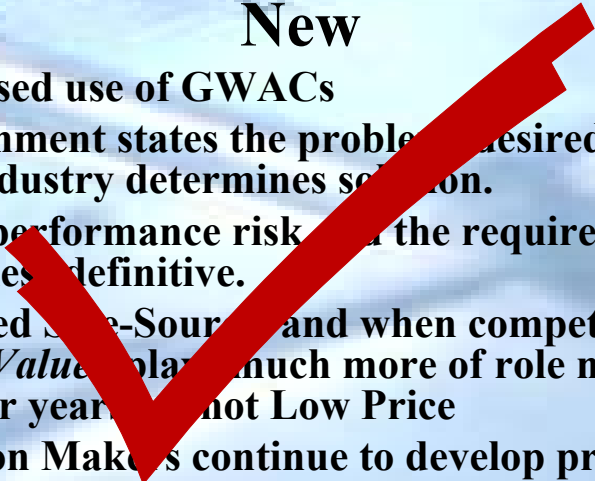
**Old**

- One size solutions
- IT systems buying
- Well Defined Specifications
- Government developed detailed requirements
- Cost Factor is important



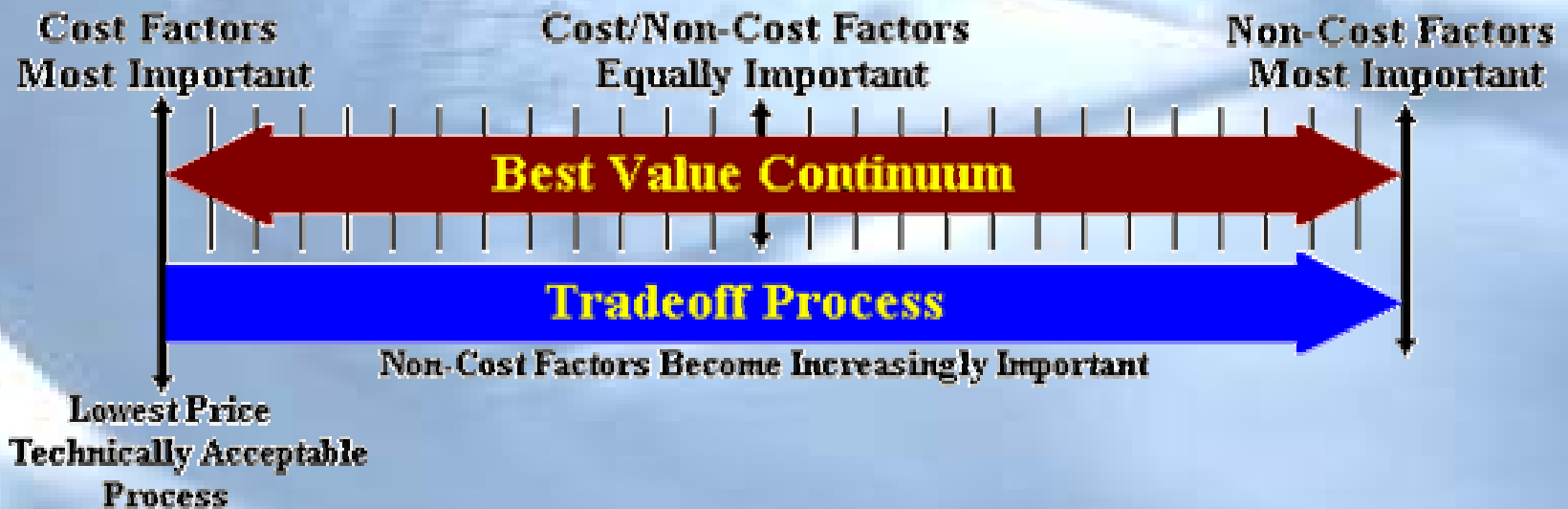
**New**

- Increased use of GWACs
- Government states the problem and desired result and Industry determines solution.
- More performance risk as the requirements are much less definitive.
- Directed Single-Source and when competitive, "Best-Value" play much more of a role now than in prior years. Not Low Price
- Decision Makers continue to develop preferences
- Often the process is used to justify a preference that has already been formed
- Nurturing relationships with decision makers is not enough to establish preference



## Non-Cost Factors Have Become Increasingly Important

*“FAR 15.101 ...The less definitive the requirement, the more development work required, or the greater the performance risk, the more technical or past performance considerations may play a dominant role in source selection”.*



*Begin The Journey ...*

*With The End In Mind*

# Loyalty Pyramid

Level # 4

**Trusted  
Advisor**

**3 - 5 %**

Level # 3

**Very Satisfied Buyers**  
*(Dominant in short list)*

Level # 2

**Satisfied Buyers**  
*(Will Take bids from short list only)*

Level # 1

**Switchers / Price Sensitive**  
*(No Loyalty)*

*In business, if you are not growing... you are dying.  
What are you doing right now to grow your client Loyalty?*

**Fundamental Challenge: To Stand Out In  
The Minds of Decision Makers**

*In a sea of sameness...*

*how to stand out in a world of ‘Gray Boxes’?*

Supplier  
A

Supplier  
B

Supplier  
C

Supplier  
D

Supplier  
E

Supplier  
F

*“Differentiate or Die!”*

## **'Deconstructing' Business Success**

*There are only 3 ways to  
Grow a Business:*

Success =

- 1. Sell more customers**
- 2. Sell more solutions to each customer**
- 3. Sell at a higher price**

**The Critical Question:**

*Why should more decision makers buy more from you, at a higher price?*

## 'Deconstructing' Business Success – *Going Forward*

*...is largely a function of  
what you have Earned,  
in the Past **and Present***

P & P Performance (P/S)



Reputation + Loyalty  
(Think) (Behave)



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**Brand**



## Looking For Success In All The Wrong Places (3 Cause And Effect Elements)

### 1. + + + Customer Dynamics

#### Increased:

- + Awareness & Appreciation
- + Pilot / Win Rate
- + Repeat Buy
- + Product/Service Quality
- + Customer Satisfaction (CPAR, etc)
- = **Brand Reputation, Pref. & Loyalty**

Bottom Line Financial Performance:  
Starts with Your Value Message

### 2. + + + Competitive Position

#### Increased:

- + Customers
- + Sales per Customer
- + Price

### 3. Improved Financials

#### Increased:

- + Revenues
- + Profits \_\_\_\_\_

*C-A-U-S-E*

*I-M-P-A-C-T*

*E-F-F-E-C-T*

## 2 Kinds of Loyalty

### 1. To the Low Price...

- *Reality Check:* They are Loyal to the Low Price, not to you!
  - Commodity (Think Pork Bellies!)

### 2. To your Unique Value...

- *Reality Check:* You can't expect them to know what it is, if you don't!
  1. Can you articulate *IT*?
  2. Is Total Team passionately Focused?
  3. Do you communicate this everyday/way?

## Remember the Fundamental Challenge...

*To Stand Out...*

*Because of Your Unique Value*

Supplier  
A

Supplier  
B

Supplier  
C

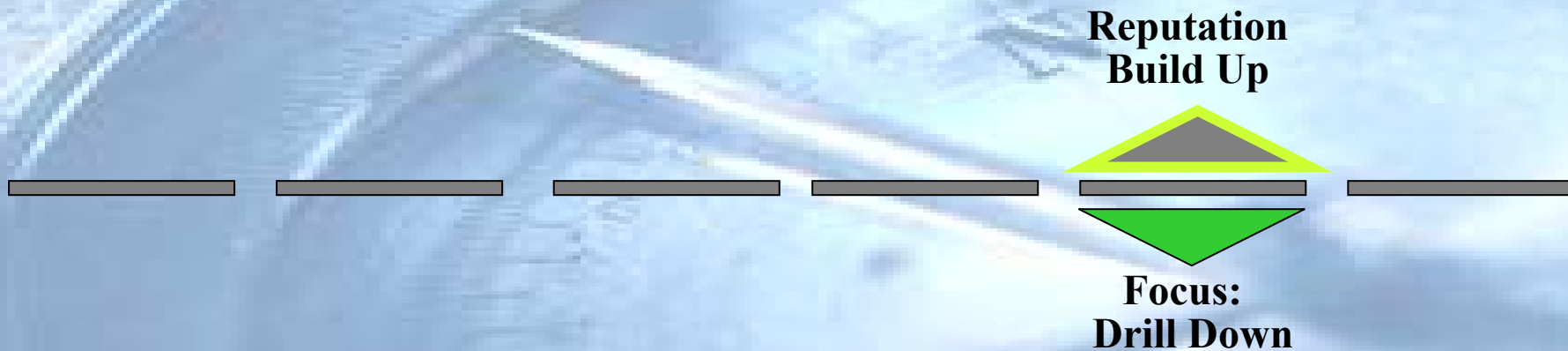
Supplier  
D

Supplier  
E

Supplier  
F

**“Which one are you... Why?”**

## The View From Decision Makers: (Consider A Topographical Map)



### Decision Makers Demand Answers:

- Who are you?
- What are you *really* good at & known for?
- Why is this important for me?
- Why should I believe you?

## Your Best Value Is the Standard... Must Be Earned Every Day

- Do you (and everyone on your team) know what  
*“Brought You To The Dance”*?
- What do you stand for, what Value do you want to OWN?
  - What
    - Word
    - Concept
    - Benefit
- *“You’ve got to know it, before you can grow it!”* — — —

**2 Minute Exercise**

## Exercise Debrief

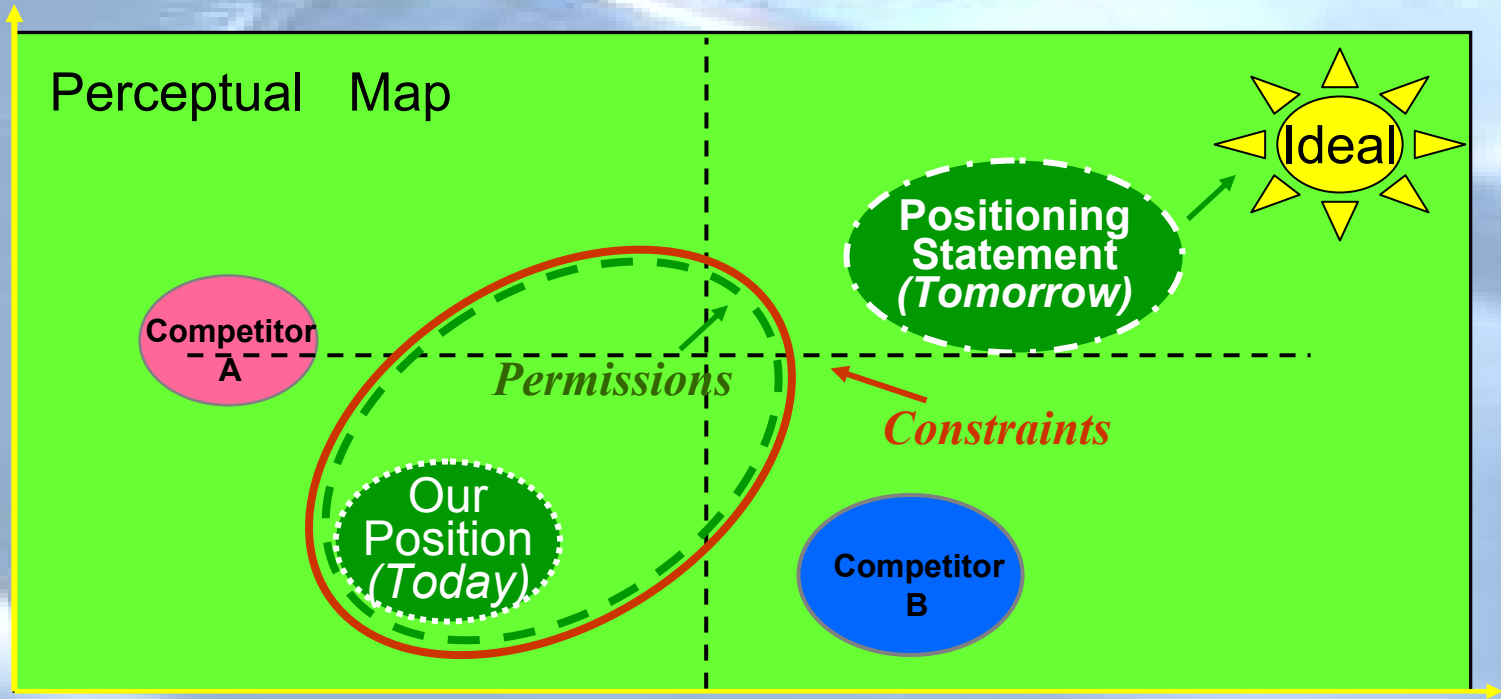
- How Difficult....was it?
- Proud of the Answers?
- Does your team live it?
- 4 Remarkable facts:
  - 1. Almost everyone knows / has heard of USP
  - 2. Almost everyone believes in it
  - 3. Almost no one has crafted one
  - 4. The USP concept is a Great Start...

## Positioning = USP On Steroids

- Positioning = a carefully structured statement
- It's not the corporate Mission Statement
- Captures what makes you special and unique in the market.
- Defines a “Path Forward” and “Blue Print” for future growth

## If You Don't Know Where You are Going..."

- Position: Where your Brand is today
- Brand Positioning Statement: Defines focus/direction; "where are you growing to?"
- Brand Permissions/Constraints: Growth away from competition, but w/in limits
- "Guided" Growth: Towards "ideal" benefits desired by target decision makers





## Brand Positioning Statement

Addresses 5 Fundamental Questions:

1. **Who are you?**
2. **What do you do?**
3. **Who do you do it for?**
4. **What makes you different/better?**
5. **Why should I believe you?**

- (Name)
- (Reputation)
- (Relevance)
- (Resonance)
- (Credibility)

5 Key Elements:

1. **Brand Name:** Starts the Positioning process.
2. **Frame of Reference:** Defines competitive contest/category.
3. **Target Audience:** Who exactly is the customer?
4. **Point of Difference:** What distinguishes you?
5. **Support for the Claim:** Provides support & validation for difference.

Special Sauce:

**Brand name is frame of reference that appeals to target audience with a point of difference because support for the claim.**

## “Pressure Test” - 5 Screening Criteria

### 1. *Is it ownable?*

- Has a competitor already staked a claim?

### 2. *Is it worth owning?*

- Does it provide clear value & compelling customer benefits?

### 3. *Is it really us?*

- Does it fit with our ... A. *Past* - corporate heritage;  
B. *Present* Strategy - 4 P's; C. *Future* - Vision?

### 4. *Is it executable?*

- Is there enough “meat” and “inherent drama”?

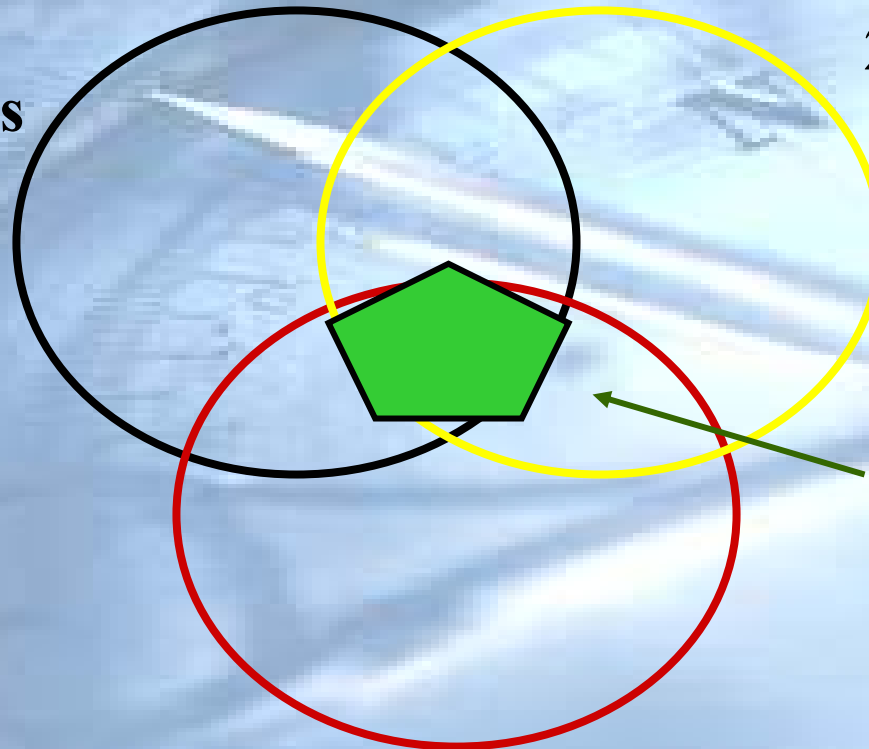
### 5. *Is it defensible?*

- Do we have the resolve and the resources to protect it?

## Getting the BPS Right Means Finding the “Sweet Spot”

1. Customer's  
Requirements

2. Competitor's  
Weakness



3. Corporate  
Strengths

**Our  
Focus**

**Know What You Stand For...**

*What Is Received...and How It Is Perceived  
By the Decision Maker  
Is the Only Reality That Matters!*

*If you hope to become the Trusted Advisor  
on top of the Loyalty Pyramid*

*“You and every employee must Deliver Your Unique Brand  
of Best Value Everyday”*

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## Dramatic Reversal in a Fortune 100 Company

Scenario: After investing tens of \$ millions in new technology & major marketing campaigns, the Executive Committee decided, due to disappointing sales and massive red ink, to close down one of the biggest new product bets The Pillsbury Company had ever made.

*“As the new Director of Marketing for the Refrigerated Foods Division, Bill Howe refused to let the Brand die. After being turned down on two earlier occasions, he made a \$ 1 million “Bet Your Job” recommendation behind a totally new Marketing strategy. The Executive team elected to pursue Bill's plan as one last effort to resurrect the Brand.*

*The resulting success did more than just save the Product from extinction. It went on to become the single most profitable SKU in the 130 year history of the Pillsbury Company.”*



**Jim Behnke,**  
SR VP World Wide Technology  
Pillsbury Board Member

*\$ Billion Dollar Success = Breaking out of the Box*

Scenario: In 1995 Bill Howe, VP Marketing for Bell Atlantic's \$ 4 Billion Consumer Division, introduced a new Product- "Second Telephone Lines" into test market. This was against violent protests from Executive Management who felt there would be little demand and no profitability.

*"Last year saw the biggest single increase in new residential lines since World War 2 - driven not by population growth, but by growing demand for second telephone lines and data connectivity. More than 16% of American households have more than one telephone number, a number that is predicted to grow to 35 % by the end of the decade. At Bell Atlantic, we expect to sell more than 600,000 lines in 1996."*



1996 Bell Atlantic  
Annual Report