

Fowler & Company presents

7 Steps to Dynamic Growth

Your Competitive Advantage

Episode #4 (of 7)

Lesson Notes

Welcome back to day 4 of our Values Driven Growth eCourse.

This is Curt Fowler, President of Fowler & Company and I am so excited you are back with us for day 4 of eCourse, where we are showing you how to dramatically increase the growth of your business.

So far we've shown you how:

- Values driven companies with disciplined execution outperform the market by up to 15x
- How core values are the guide rails that keep your company on the right path; and how to determine the core values & core purpose for your organization.

The framework of your organizational house has now been put in place. You have your core values to act as your guide rails to keep you on track, your core purpose to remind you why your organization exists.

Before we turn our attention to the future of your organization, we've got to cover one more fundamental building block – your competitive advantage. Your competitive advantage is why your customers buy from you and why they are willing to pay more for your service than your competitors. You can see that it is very important.

Let me introduce this framework on how to determine your competitive advantage. It starts with:

- Who you are as a business
- What you are best at
- Why?

As an example, let's look at Google. Google is best at optimizing searches for any type of information. Why? Because it continues to innovate and push technology past what was thought possible. If you haven't downloaded the new Google map software to your iPhone or Android device, you've got to give it a try. The maps are incredible, turn by turn directions; you no longer need a Garmin on your dashboard. Just another example of how Google continues to leap frog the competition.

What if you're a church? This is actually the church that I'm a member of here now in my hometown. It's the best at being a church where "un-churched" people want to go to. Why? Because its people and its culture make "un-churched" people feel welcome. It doesn't matter if you've got tattoos all the way up your arm, halfway up your neck, if you came in on a Harley or came in a three pieced suit. The culture of the organization, of the church and the people in it make everyone feel comfortable. So you know that they're the best at making "un-churched" people feel loved.

So now, what is your company best at and why? There are three steps to figuring out your competitive advantage and we'll go into more detail in just a moment.

1. What are your strengths?
2. When compared to your competition, what are you best at? (Core Competencies)
3. What are you best at that matters to your customers? (Competitive Advantage)

Let's dig a little deeper into your strengths. Here are some questions to ask yourself.

- What could you do better than anyone else?
- Why do your customers buy from you?
- Why do your members join the organization?

Examples: cost, speed, convenience, luxury. There are lots of different reasons why your customers buy from you. Those are your strengths. Take those strengths and compare them to how good you are at those things in comparison to your competitors. So, who is competing for your customers? And don't say there isn't any competition because you are just lying to yourself. There is competition for your product or service.

Who are they? How do you compare, and how do you get people buying from your organization. The only way to do that is by doing something better than the competition.

Now we looked at some of these examples earlier. It you're optimizing searches that your customers care about, building precision engines and that matters to your customers, or if you're a church where "un-churched" people feel welcome assuming "un-churched" people want to go to church, then that is a competitive advantage.

Competitive Advantage review:

- What are you best at?
- Must be a consistent difference that matters to your customers.

Example: Coke vs. Pepsi debate. It's almost not even heard of anymore, but if you're from the south like I am, you grew up drinking Coke. It didn't matter if it was a Pepsi or a Dr. Pepper, you refer to it as a coke. And to us, Coke taste better so it's a difference that matters to us.

- Must be difficult to imitate

Example: Southwest Airlines cost model. It's been widely written about, everyone knows how they do it, but no one can replicate it. Why? Because there are so many moving parts it's very difficult to imitate.

- Must be constantly improvable

Example: Southwest is constantly getting better and better. Kmart stopped improving at their low-cost model. What happened? Wal-Mart leap frogged them and blew them out of the water.

Now, let's go back to our matrix where we've looked at Honda, Google, and a church. Let's add in Fowler & Company. What is Fowler & Company best at? We're the best at helping leaders build values driven, world changing organizations. Why? Because we help leaders think bigger, plan bigger and execute based on their core values. And we've got customers that will tell you we've done it for them. That's what we're best at.

Now, what is your organization best at and why? Take that information and add it to your one page strategic plan. We've now determined your core values, core purpose, brand promise (or competitive advantage).

Tomorrow we'll set in place the vision for your organization. This is where it gets really fun, so don't miss tomorrow's lesson!