

# Unique Selling Proposition

## Coaching questions

### “How are you different than the competition?”

#### Topic Introduction

The only true way to compete in any market is to be perceived as different than your competition in something that matters to the customer. If you are the same, than all you can do is compete on price. This makes you a commodity and your business becomes 90% reliant on external factors. This is a dangerous position to be in. So finding out how you are different and keeping the control in your hands is important.

#### Discussion Questions

1. How is the competition different than you? For your competition to be doing well, they should have something about their business that is going well. What is it?
2. What are your competitors' USPs? Can you say in 5 to 10 words what your competition's difference is?
3. Are you unique today? Do you have something today that is different or better than what your competitor's currently has?

#### Key Learning

Every successful business has something unique about them. Learn from your competition. This doesn't mean that you have to do what they are doing. But you do need to understand what they are doing to know how you are different.

### “How will you stay unique?”

#### Topic Introduction

Being unique today is important. But maintaining your difference and competitive advantage is even more critical for the long term success of your business. This is something that inventors often forget about when they create new widget. A product or widget is easy to duplicate, what makes a business different is its ability to continue to innovate, listening to their customers, or another (more difficult) thing to duplicate.

#### Discussion Questions

1. What industries are the most difficult to be unique in? How do the businesses in this industry do it?
2. How do the leaders in your industry remain unique? What can you learn from them?
3. What is changing to help you or to prevent you from keeping your unique position?

#### Key Learning

Planning upfront on how you will continue to maintain your competitive position will help with your planning and decision making as you grow.

### “Are your customers emotional about your difference?”

#### Topic Introduction

A difference only is important if your customer cares about it. In every industry there are different characteristics that are considered valuable. For example, customers care about clothing being trendy but they often care less about what fabric is used to make it. But for food, what is in it is critical and less important if it is trendy.

#### Discussion Questions

1. Are your customers thrilled about the difference you've brought into the market?
2. Are your customers emotional about your business?
3. How could you make them identify or become more passionate about you?

#### Key Learning

Under promise and over deliver is the tenant to exceeding customer expectations and amazing them.

## Examples

### Real Life Example: How are you different?

A consulting firm was trying to identify what really made them stand out from the rest of the consulting firms. Although the average hourly rate for a top tier consulting firm was \$400/hour, they only charged \$200/hour. So this meant that the other consulting firms were more prestigious.

The consultancy agreed that they weren't the 'affordable consultants' or the 'cheap consultants'. Not only did that have a bad ring, but it also wasn't something that clients cared about. Clients want results. Clients want someone who will help their business. Clients want someone who listens and is on their side.

Not only did the consultants build up the strategy for their clients, they felt obligated to also help roll out the change based on their recommendations. Often this would involve training, communication roll out, coordination, and sometimes even picking up the phone to do telemarketing. In one meeting the partners laughed with each other over the fact that they were the only MBAs they knew that were willing to pick up the phone. The other partner said, "Wait. I think that this is important. Why do we pick up the phone?"

The USP was realized. They were "consultants with humility".

### Real Life Example: How will you stay different?

Wal-Mart has a low cost strategy, not a low price strategy. Being low cost in everything that they do is their sustainable strategy.

If it were low price, they could have just priced their products cheaper and created some price wars. Potentially they would have made money, but their margins would be razor thin and it would become quite risky for them to error on their costs or if there was a downturn in their sales. They wouldn't have the cash reserve to adjust.

Being a low cost strategy gives Wal-Mart the flexibility to have low prices without impacting the business negatively. Every day Wal-Mart is looking for ways to optimize their supply chain, become more efficient, and reduce the cost of the products they sell. Overtime they have created literally thousands of ways that they save money, allowing them flexibility in choosing their price point.

### Real Life Example: Are your customers emotional about your difference?

Target is a great example of a business that competed against Wal-Mart, but they selected their difference that customers cared about. Although they are low cost as well, Target is the low cost, fashionable alternative. For people who love saving, but also care about style, Target is the solution.

By not going head to head against Wal-Mart (Kmart did this and went out of business), Target created their own USP that customers are very emotionally about. This was proven through the recent launch of Target into Canada, where they had huge brand awareness from their launch date.

### Mini Case Study

Josh, the owner of a burger restaurant, is wondering how he can stick out in a competitive industry.

JOSH: "I've always wanted to own a restaurant and I love burgers. I feel like a burger restaurant is the right way to go, but I'm worried that I won't be able to compete with Wendy's, A&W, McDonald's, and all of the other restaurants out there.

COACH: "Let's start there. Why do you think that those types of restaurants are really successful?"

JOSH: "Fast and easy food. You can get a meal for about \$6 and 2 minutes."

COACH: "So everyone who likes a burger expects to pay \$6 and needs it in 2 minutes? Who else might like burgers? Do you think there is someone who likes it in 6 minutes and will pay \$13?"

JOSH: "A business man at lunch might like that. Or my teenage boys like fast food, but much prefer when we have a BBQ at home. We usually go all out. Everyone makes their own burger."

COACH: "Great! So there is a certain type of customer and a time where customers choose fast food. However, there is an entire other market of people who want a better tasting burger. You would then be very different than the Wendy's and McDonald's down the street. How else could you be different? What would your seating area look like? Keep going!"