



**CompetitionProof™:
How to Create Clear Competitive
Advantage in a Me-Too Market**

Mark S. A. Smith
Outsource Channel Executives, Inc.
www.OCEinc.com

**What Do You Want from This
Session?**

- What solutions?
- What strategies?
- What tactics?
- How much more business?
- How will you know that this session has been worth it?
- What to expect...

What is CompetitionProof?

Create a trusting relationship with your clients so that they refuse to do business with anyone else, regardless of price

“People do business with people they know and trust because the alternative is too risky.”

Create a company culture that values client convenience, delivers exceptional service, and delights clients

“We pay more for convenience than service; more for entertainment than information.”

Create market messages that attract the best clients to you; those who value and respect what you do and will gladly pay you for it

“I don't want all the business. I just want the profitable business.”

Your sales staff must be business experts, not just sales guys

“All IT purchases are business driven. Drive your customer's business and you'll get all of their purchases.”

Why CompetitionProof?

Repeat customers substantially increase your company's valuation

A 5 percent increase in customer retention can increase profitability by 20-100 percent (25% – 5% NPBT).

Lifetime value of a client

Client revenue \$8,333/month or \$25,000/quarter or \$100,000/year

Client with you 5 years

Lifetime value = \$500,000

One referral a year

5 x \$500,000

Referral value = \$2,500,000

Total value = \$3,000,000.

Who to CompetitionProof

Be selective about which customers you CompetitionProof

Choose those who can pay higher margins and think it's worth it

Create a separate division for low-margin business.

Small Differences Make a Big Impact

Not perfect, but exceptional

The law of the slight edge:

“The difference between a champion and an also-ran, more often than not, is a very slim margin”

The rule of one percent:

“It's not doing any one thing 100 percent better, it's doing 100 things one percent better.” Jan Carlzon

CompetitionProof Principal One

Create a trusting relationship with your clients so that they refuse to do business with anyone else, regardless of price.

How Clients are Persuaded

**How to Manage Your Prospect's
Motivation**

Understand what they want more of and what they want less of

What do they really want delivered?

“What is your objective?”

“What problems have you had with that in the past?”

“How will you know when we've done a good job?”

**How to Manage Your Client's
Motivation**

How do they feel about what you delivered?

First ask, “Will you help me know how to help you more effectively? I learn how to serve you better when you help me with a few specifics.”

5. “Why did you buy from me?”

4. “How do you feel about the work we've done?”

3. “What are you satisfied with or pleased about?”

2. “What would you change or do differently if you had to do it all over again?”

1. “How can I better serve you in the future?”

How Clients Choose Vendors

1. Confidence
2. Quality
3. Service
4. Selection
5. Price

CompetitionProof Guarantees

Meets the most pressing need in the industry

No one in their right mind would offer it. It should scare you

You must obviously offer a substantially superior product to be able to offer the guarantee

Say it in a sentence or two

No fine print.

Bainbridge Homes

“If, for any reason, you are not absolutely delighted with your finished home, we will buy it back from you for the exact price you paid including all taxes, fees, title insurance, and expenses, no questions asked!”

"Bugs" Burger Bug Killers

Guarantee

www.bugsburger.com

Why Customers Quit

15% quit for quality:

found a better product

15% quit for price:

found a cheaper product

20% quit for lack of contact or individualized attention

49% quit because contact was poor and inconsistent.

Forum Corporation study of commercial customers lost by 14 major manufacturing and service companies.

**CompetitionProof Secrets for
Creating a Trusting Relationship**

Know your customer

Brochure or annual report

Go on-line

Google news alerts
Working knowledge of your customer's industry
Industry trade magazines
Email briefs.

Building Customer Loyalty

Never devalue your efforts
Community = Loyalty
Ask for a testimonial letter
Send them business
Reward customers
Programmed
Randomly.

CompetitionProof Principle Two

Create a company culture that values client convenience, delivers exceptional service, and delights clients.

CompetitionProof Management Culture

Top-down driven
The client has to be able to reach the top with one phone call
Management approval for "No"
Do it the customer's way:
Contact
Selling.

CompetitionProof Attitude Secrets

Everyone wants to be treated as a unique individual, so customize everything
Professional vs. amateur
Share success stories
"Our customers tell us..."
A good word for everyone
Never complain.

CompetitionProof Exceptional Performance

Set, measure, and manage customer expectations
Establish internal and external service level agreements (SLAs)
Time to return calls
Tech staff response
Guarantee it
Prove it
Compensate management on SLA compliance.

Customer Feedback Makes You CompetitionProof

One-on-one focus studies
"What one thing..."
"Why are you still doing business with us?"
Non-retaliatory feedback methods
Talk to lost customers.

CompetitionProof Principle Three

Create market messages that attract the best clients to you; those who respect and value what you do and will gladly pay you for it.

CompetitionProof Marketing

Upside down marketing
Clients first, past clients second, prospects third
Cold calling only if you really have to
Marketing budgets

60% – Clients
30% – Prospects
10% – General marketing.

CompetitionProof Customer Referrals

Your own case studies
Use stacks of testimonial letters
"Who do you know that would appreciate reading this?"
Trade a favor for a hosted meal with a colleague.

CompetitionProof Principle Four

Prepare your sales team to be business experts, not just technology experts.

CompetitionProof Sales

Discuss priorities
Explore selection criteria
Focus on payback time, not TCO or ROI
Know what motivates each member of the decision-making team
Be well prepared for the tough questions.

Common Customer Objections

I don't need it
I can wait for a while
I don't have the money
I can do it myself
I don't know if I can trust you with my business.

I Don't Need It

"Almost everyone of my customers has had that same thought. And when they took a closer look, they decided that it made business sense to focus on what they do best, and partner with us to do what we do best: help our customers run their business with effective IT support."

"Once our customers use our services, they don't go back to going it alone because we become their business partners. Would you like to learn how that would work?"

I Can Wait a While

"You sure could. And as long as you know what it costs to wait, that could be a good decision."

"I would not make this recommendation unless I was sure that you would have immediate benefits to your company and your cash flow. Would you like to understand how I came up with the figures?"

I Don't Have the Money

"I hear that a lot, and I'm sure you do, too. Yet, there are lots of ways to come up with the money if you want this for your company."

"Some of my customers use cash flow savings from operational efficiencies, some reassign their staff to more profitable tasks, and some use financing. Would like to explore your options?"

I Can Do this Myself

"You probably can. And as long as you have an on-going training program for your IT staff, you'll be able to keep up."

"Our company invests 5 to 15 percent of our consultant's time in training just to keep up. You get to benefit from our deep knowledge of IT. Let's talk about where your staff could use some help."

I Don't Know if I Can Trust You with My Business

"I appreciate your honesty. I can understand your reluctance because this is a big step and you need to feel comfortable with us."

"Some of my customers like testimonial letters, others want guarantees, and some just want to meet my staff and see our operation. If you'll let me know how to build your trust, I'll give you my best."

What Did You Get from This Session?

Got new ideas?
Did I challenge your thinking?
Did I make you uncomfortable?
Do you want more?

My Promise

My promise to you...
Mark.Smith@OCEinc.com
subscribe@CompetitionProof.com
Your promise to me...
Download the worksheets and listen to a playback of the presentation at www.OCEinc.com/ConnectWise
Please fill out your feedback form!