

Defining Your Competitive Differentiators

By André Mazerolle and Michelle Class

Message the heck out of your competitive differentiators was the advice from a former BDO marketing and sales director, Tamera Loerzel, now, a senior consultant with ConvergenceConsulting, LLC, a nationwide consulting firm dedicated to helping CPA and IT firms achieve success.

Loerzel led “Defining Your Competitive Differentiators,” a revealing encapsulation of one of the first steps in branding – knowing what you should say to your target audiences.

Competitive differentiators are different things to different people, but essentially they are the communication of one’s ability to be unique, to stand apart, to be relevant to its marketplace.

It is competitive differentiators that give you a competitive advantage – the things that cause a client to choose your firm over all the others. These “things” are both value-based and sustainable, if nurtured by leadership and advanced by the firm’s strategy. When searching for advantages, consider these three-step self assessment questions to help you define what differentiates your firm from your competition:

1. Can your employees define and recite your mission statement. If so, does this define what makes your firm stand out, why you are better than the others?
2. Have you determined and continue to fully examine your firm’s values?
3. Is your SWOT (strengths, weaknesses, opportunities, threats) Analysis identifying all specialty areas and focusing efforts on them?

Identifying your competitive advantage can become a time consuming task; however, by dedicating a portion of your time (or engaging an intern to assist), you can answer the questions above and determine what may be holding your firm back, what industry, niche or service is suffering or identify where an individual’s growth is being stifled. Here are a few tactics you can implement immediately to identify some of your competitive advantages:

- **Ask others why they chose you** – This may include performing surveys, focus groups or one-on-one interviews with clients, staff, prospects, referral sources, alliance partners, or vendors.
- **Perform basic competitive analysis** – Visit your competitor’s web sites frequently to see what they are marketing, interview staff who choose your firm over your competition, perform online searches on your competition to gain articles / white papers on their expertise areas, ask your vendors or clients who chose you over them.
- **Explore your firm’s values** – Does the current initiative you are marketing have a champion? What value-added options would your clients be willing to utilize your firm to perform? Do your client’s behaviors dictate your value-added services offered?

So, where do you start? Begin with a mission statement, a compelling statement for a firm’s existence. A mission statement should set a firm apart from its competitors. Once a firm has defined its mission statement, it should communicate it throughout the firm and outside it as well. From wall hangings to desktop cards, from newsletters to business cards, a firm should be proud of its mission statement and that it is the spring from which competitive differentiators are produced.

Don’t jump the gun, however. Your next step is to flesh out the firm’s vision or where the firm sees itself at some point in the future. To succinctly describe your vision, you have to think outside your boundaries, you have to *dream*, you have to take a risk and shoot for a

goal...essentially, you have to challenge convention and like William Shatner said in the opening sequence to Star Trek, "to boldly go where no man has gone before."

You should then probe even deeper and develop values. Values are words to live by. "They are not what you think people want you to value," said Loerzel. "Instead, they're what your actions and behaviors illustrate that you value."

Here's an easy exercise to do with your management team: (Be sure to have your key management team involved in the value discussion.)

- Provide your management team with a list of 10 values.
- Ask them to rank them in order of importance.
- View the results and see where your team is aligned.
- Choose the top 5-7 to brand and send the message to internal and external markets.
- From this list... create an acronym to help staff remember and to promote the firm's values.

The core of the presentation was the importance of a SWOT Analysis not only for a firm, but also for service lines, niches and individuals. The "strengths" in a SWOT, combined with the understanding and direction of a mission statement, vision and values, helps to create competitive differentiators.

To improve the accuracy of a SWOT (and in turn, the power of competitive differentiators), poll staff, partners, vendors and most importantly clients. It is vital to not be insular rather to understand not only what we think of ourselves, but what others think of us.

It is also important to understand competitors. By conducting a juxtaposition exercise of the hard facts in chart form, you can further illuminate your competitive differentiators. Essentially, use your competitors known data to understand what you should not be – if you are to be unique.

To attain a competitive advantage, one has to get serious about messaging and communication in order to build consistency, influence and relevance. Apply the "so what" to messaging. If your competitive differentiators matter to only you – they aren't effective. If they aren't benefit statements, they are nothing more than product features.

In addition to educating your staff, there are many avenues to utilize when communicating your uniqueness, while enhancing your competitive advantage in the marketplace:

- Highlight or focus on what's important to your client base.
- Organize advantages and disadvantages by the audience or by the initiative.
- Tell a story! Case studies enforce your strong points, while showcasing your understanding of your client's needs, and provides results.
- Utilize your brand to reinforce your expertise.

By utilizing your firm's web site, proposals, direct mail, email, presentations, newsletters, employee handbooks, recruiting materials and your staff, you can weave differentiators into each and every day. Many times these subtle reminders are subliminal, but very effective to your employees, clients, prospects, referral sources and anyone else who may engage your firm.

To be unique, is to know your uniqueness and "communicate the heck out of it."

This article is a summary of material presented by Tamera Loerzel during her "Defining Your Competitive Differentiators" presentation at the 2006 AAM Summit: Mile High Marketing.

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