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Competitive Value is the cornerstone of a company's revenues and profits. The identification and implementation of a company's, a business unit's, or a functional group's Competitive Value Assets are the result of management, individual contributors, and other stakeholders performing tasks prescribed by seven essential steps.

They are essential because none can be skipped and each requires the successful completion of all those preceding it. Furthermore, with meaningful categories and criteria defined, these steps can also be used to assess for your business' ability to create Competitive Value (see definition at end of paper).

The work necessary to complete any step is challenging and requires openness, honesty, patience, communication, and time. In other words, involve everyone, don't hurry, and don't lose focus of what's important – getting the right competitive value and subsequent assets for a successful business.

These steps are defined in sequential order. This means that although value asset development can start with any step in the sequence, the results of previous steps are required before proceeding. Also, if a change is made to one or more steps in the process then it becomes necessary to assess for possible impact and change to any step that follows.

For example, if a company hires new management it must assess how their experiences and knowledge will affect existing and new strategic initiatives. Will they bring with them new ways to manage customers? Will that change affect process and tool development, as well as resource/time management initiatives? Hiring new management could result in dramatically changed Competitive Value Assets.

The Seven Steps are:

Step 1 – Define Business' Vision, Mission, and High Level Strategic Objectives.

Step 2 – Define the Core Competencies needed to implement Vision, Mission and anticipated Competitive Value.

Step 3 – Select the Business' management and supporting teams' members.

Step 4 – Define what Customer Centricity means to the Business' success.

Step 5 – Identify the possible opportunities for Competitive Value Assets.

Step 6 – "Brainstorm" for new value initiatives (or strategic initiatives).

Step 7 – Add details to the strategic initiatives.

Each step builds on the previous one to meet the end goal of developing a robust collection of Competitive Value Assets needed for success. The following is a brief description of each step and a short list of questions to help determine whether there's a need to start the Competitive Value creation process with that step.

Step 1 – Define Business' Vision, Mission, and High Level Strategic Objectives.

A business' Vision, Mission, and Strategic Objectives define the basis for its Competitive Value.

Do they describe what has to be accomplished? Are the benefits described unique to the marketplace? Who receives the benefits? Are the statements actionable, helping company individuals understand what they must do to make the Vision a reality?

Step 2 – Define the Core Competencies needed to implement Vision, Mission and anticipated Competitive Value.

Core Competencies are those capabilities that enable a company to identify, create, and deliver the Competitive Value necessary to make the Vision a reality. Examples of Core Competencies are a camera, copier, and camcorder maker's optics technology, and a car maker's manufacturing process. Examples of non-core competencies are a software company's financial management process and a pharmaceutical company's IT department.

Are the defined Core Competencies unique to the industry? Are they hard to duplicate by competitors? Have the different skills, processes, tools, and technologies that make up each Competency been identified? Have essential non-core capabilities been identified? Are today's Core Competencies going to be sufficient for the target markets of tomorrow?

Step 3 – Select the Business' management and supporting teams' members.

As Jim Collins, noted strategy guru, states (paraphrased), "It's important to get the right people on the bus, the wrong people off the bus, and the right people in the right seats." People are the core of any business' Competitive Value. Their experience, capabilities, motivation, knowledge, and passion will help define strategic initiatives and drive the business' direction.

Do all team members understand and share a passion for achieving the business' Vision? Do the capabilities for successful core competencies exist? How about the non-core capabilities? Are the team members adaptable to a changing competitive landscape? Are the team members self-motivated? What could happen to de-motivate them?

Step 4 – Define what Customer Centricity means to the Business' success.

A business' Vision and Mission drives its definition of Customer Centricity, as well as the extent to which it wants to create loyal customers and develop new ones. Each company has to decide who receives the benefits of its Competitive Value and then decide how to deliver that Value to ensure expected, if not beyond the expected, success. This is a very strategic step and will help drive the identification of Competitive Value Assets.

What's stopping your worst customer from being your best customer? What's the definition of a successful customer? What about a loyal customer? What characterizes the business' most valuable customer? What makes each customer segment satisfied with the business and keeps them that way? Think in terms of "at a minimum," optimally," and "beyond expectations."

Step 5 – Identify the possible opportunities for Competitive Value Assets.

Competitive Value Assets are encapsulated in a business' Total Value Proposition, TVP, (products, services, those expected by customers and those that go beyond their expectations), its ability to create value, and its ability to deliver value. Assessing for the business' Competitive Value Index (see definition at end of paper) identifies what value opportunities may exist.

What makes customers successful, aside from what the business provides? What's causing them to fail? What "actionable knowledge" exists that can be used to help the business improve its ability to create and deliver value? How does the business outperform competitors who have more resources? Does a Competitive Value Index baseline exist?

Step 6 – "Brainstorm" for new value initiatives (or strategic initiatives).

Sort through the identified, probable, Competitive Value opportunities by determining which have the best chance for success, prioritizing the resultant list, and transforming the items on the list into strategic initiatives. These initiatives describe what the business will do to add Competitive Value Assets.

What does the business need to improve in order to better serve the customer? What does the business need to do in order to better compete? Does the business recognize that skills, process, tools, and resource/time management activities are, indeed, value assets? What initiatives will eliminate burdensome bureaucracies?

Step 7 – Add details to the strategic initiatives.

Each initiative needs detailed implementation planning in order for it to become a Competitive Value Asset. Questions will come up during the previous steps whose answers need to be researched and verified. The questions, which need precise answers, are grouped as follows:

Why does the business need this initiative, to compete better, improve a weakness, or satisfy a customer requirement? What are the “features” of the initiative, costs to implement, and needed sales channels? How will the initiative be implemented, resources assigned, and funding procured? Who are the beneficiaries, business “champions,” and who comprises potential markets? Where does the business need the initiative implemented? When can the initiative be implemented, from the business’ and the customer’s perspective?

Definitions

Competitive Value

The company’s components – e.g. their “core competencies,” resources, and infrastructure; in other words, their “potential energy” – that are required and used to understand customer needs and create and deliver the “Total Value Proposition(s)” – benefits – that customers buy in order to solve their business problems!

It’s not a company’s “financial” value. Using competitive value results in the benefits the company offers for sale which, when purchased, *results in financial value*.

Competitive Value Index

A measure that represents a company’s ability -- its capacity -- to understand customer business objectives (needs and wants) and its ability to create and deliver the products and services that customers buy to successfully solve their business problems.

It represents the “amount” of competitive value, in the form of tangible and intangible assets, a company has and also indicates how much more value it can (or needs) to develop.

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