

Which Competition?

Jonathan Narducci

If our competition is eating our lunch it means that they are finding out and deploying what customers value faster and better than we are! The implications of this statement are many. It means that in order to beat your competition we have to have a “system” of activities that surround the need to find out what customers value and what it takes to create and deploy that value. We have to be really aware of the quality of our capabilities – skills, processes, and tools – it takes to make this happen. It also means that we shouldn’t put more energy into watching what our competitors are doing than watching what the customers in our market segments are doing!

I was at a conference recently and made the following statement to an audience: You should learn about your customers’ competitors! The response was swift and immediate: We have only so many hours in the day! My response? Do we want to maximize finding out what will make your customers successful? Do we want to find out why they are “failing?” Do we want to find out what they value and why? If the answer is yes than we might want to spend less time following our competitors and more time finding the answers to these questions. We want our customers to be successful and lots of clues lie with their competitors.

By learning about our customers’ competitors we find out, among other things: 1) the competitive challenges our customers face, 2) the direction our customers’ markets are taking, 3) what our customers’ customers find valuable, and 4) the overall competitive environment our customers operate in. Using this information, we can optimize our value propositions with the benefits that our customers find valuable, useful, and necessary to make *their* customers successful, meet *their* business goals, and win business from *their* competition.

This fits one of our goals, as suppliers: Do everything we can to make our customers successful. That’s good news for us since doing so will increase the probability of keeping customers, which costs less than getting new ones. And, by the way, the ultimate waste of time is losing a deal to the competition. By focusing on our customers more than focusing on the competition, we will waste less time since we are better and faster at finding value our customers need. This is just as true for our customers and *their* competition. -- Jonathan Narducci