



## **Before you begin a new business**

Your competitive positioning strategy is the foundation of your entire business ó it's the first thing you should do if you're launching a new company or product. It's also important when you're expanding or looking for a new edge.

### **Profile your market**

- Document the size of your market, major competitors and how they're positioned.
- Determine whether your market is in the introductory, growth, mature, or declining stage of its life. This "lifecycle stage" affects your entire marketing strategy.

### **Segment your market**

- Understand the problems that your market faces. Talk with prospects and customers, or conduct research if you have the time, budget and opportunity. Uncover their true wants and needs ó you'll learn a great deal about what you can deliver to solve their problems and beat your competitors.
- Group your prospects into "segments" that have similar problems and can use your product in similar ways. By grouping them into segments, you can efficiently market to each group.

### **Evaluate your competition**

- List your competitors. Include any competitors that can solve your customers' problems, even if their solutions are much different than yours ó they're still your competition.
- Rate your own company and your direct competitors on operational efficiency (price), product leadership and customer intimacy. It's easy to think you're the best, so be as impartial as you can.

### **Stake a position**

- Identify areas where your competition is vulnerable.
- Determine whether you can focus on those vulnerable areas ó they're major opportunities.
- Identify products/services you can offer to meet the true needs of your market in a new and better way.

### **Define your value proposition**

- There are three core types of value that a company can deliver: operational efficiency (the lowest price), product leadership (the best product), or customer intimacy (the best solution & service). Determine which one you're best equipped to deliver; your decision is your "value proposition."

