

Sharpening Your Business Edge

We live in a society motivated by innovation and innovative people. We love to see people creating new ways of doing things and launching products that are new, unusual or distinctive.

As customers we are interested in a business that is doing something a little bit different than the one down the road, because that business stands out.

It stands out because it has a competitive edge. Your edge is that uniqueness in relation to your product or service, or your business as a whole, that compels people to buy from you instead of someone else.

If you have an obvious competitive edge you already have a marketing advantage. Most people, however, have never thought about their competitive edge or differentiation.

Yet this is what sets your business apart from your competition. You need to use this edge in a proactive marketing plan with the aim of encouraging customers to come to your business and bringing those customers back time and time again.

Looking for the edge

What is your competitive edge? It could be anywhere within your business. It could be anything that allows you to do something better than or different to your competitors. To find it you need to take a good look at your business and the market in which you operate and ask yourself some questions.

You may well identify it when you do a SWOT analysis, which looks at your strengths, weaknesses, opportunities and threats. What are your strengths? Perhaps by using modern technology you can provide superior quality in manufacturing. Or you may have a particular expertise which gives you an advantage.

Or maybe you have created a unique personal image for your business; for example, a supermarket may have created a relaxed homely atmosphere with free hot coffee and samples of food to taste. If it's a fun and enjoyable place to do business it's likely to attract more business.

As a small business you immediately have the edge of flexibility over larger companies. Where they may be bound by rigid product and marketing strategies, your business is able to change tack quickly to take advantage of unique or different market segments that arise at different times.

Whatever the size of your business there will be something you are doing now, or can do, to create your own unique edge. You just need to identify it, nurture it and then market your business with your competitive edge as the cornerstone of your marketing plan.



“People perceive value differently since everyone has different criteria by which to judge value. These natural differences mean that there is almost unlimited potential to enhance a product’s attractiveness to the customer even in an otherwise completely equal competitive environment.”

500 Award-Winning Small Business Secrets,
Geoff Grist

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Next Steps - Find Your Competitive Edge

- Do your customers know exactly what you do and how you do it?
- Do you go that extra mile for your customers?
- Are you doing something different from your competitors that should be known by your customers?
- Are there any other differences in what you do that stands out from others in your industry?
- What are the strengths and weaknesses of your business and those of your competitors?
- Are there any strengths that you have over your competitors?
- How experienced is your team? Do they have a particular expertise?
- How good is your quality control?
- How well do you treat your employees or suppliers?

Chances are you've already found your competitive edge. If not, think about what opportunities are now available to your business to create a point of difference.



Why Customers Go Elsewhere

Customers are the most important people in any business. They are not dependent on us, we are dependent on them. They are not an interruption of your work, they are the purpose of it. Your aim is to bring them back time and time again, and surveys show that the rewarded customer does come back. Look at these statistics showing why customers go elsewhere.

A survey has indicated that the reasons customers quit a business were:

- 3% move away
- 5% develop other friendships
- 9% go to a competitor
- 14% are dissatisfied with the product or price
- 68% quit because of the indifference of the owner/management/employee. This means that nearly seven out of 10 customers decided to shop elsewhere because they felt nobody cared about them or their custom.

Some key statistics relative to customers:

- A typical dissatisfied customer will tell eight to 10 people while a typical satisfied customer will tell five people.
- It takes 12 positive service incidents to make up for one negative.
- The average business spends six times more to attract new customers than it does to keep existing ones, yet customer loyalty is in most cases worth 10 times the value of a single purchase.

Find your competitive edge, market it effectively and make your business an enjoyable place in which your customers do business.

Use the Magic Words of Advertising

These are the words that grab our attention in advertisements. Use the words as often as possible in the advertisement and especially in the headline.

- You
- Money
- Save
- Easy
- Love
- Discovery
- Results
- Proven
- Guarantee
- Free
- Amazing
- Incredible
- New
- How to



Sorting Through the Job Applications

If you're lucky a single advertisement in the local paper will attract just the person you're looking for. The only problem is, you have to find it in the pile of applications mounting up on your desk.

Hiring new team members can definitely be time-consuming, which once again, is a big reason why you need to get the hiring right first time.

Don't despair. The answer is in categorising.



Every application needs to be read through with key points highlighted, but during this initial reading you'll be able to categorise the applications into different groups quite quickly - "definite to interview", "maybe", "not right for this position" and so on. Aim to get a shortlist and then re-read the applications, maybe several times, to whittle that number down to a smaller group to interview. Go with whatever group number is appropriate to you.

The resume, or curriculum vitae, will give you the important details about employment history and, ideally, some indication of the applicant's interests. Look for:

- Any gaps in employment history
- Type of responsibility the person has had
- To whom they have reported
- Achievements they have recorded
- Additional training they have undertaken
- Whether there has been any pattern to the person's employment
- The length of time they have stayed in their various jobs
- Stability of employment
- The referees cited and whether there is any employer for whom the applicant has worked for a significant period of time, who has not been offered as a referee.

When reviewing the applications always keep in mind the job description for the position and the list of attributes you are looking for in a new team member, if you have written one. Does the applicant list examples of job accountability and the achievements that you are looking for in a new employee? Do the educational qualifications match the job specification?

Write letters to the final group, or contact by telephone if appropriate, inviting them to come in for an interview. Make sure you have one or two back-up people, as some applicants may have changed their minds about the position.

You also need to send a letter to those applicants you are not interviewing. Acknowledge receipt of their application, their application, and advise that in this instance their application has been unsuccessful.

Be sure to read each article with the mindset "How this could apply to our business". Thinking of it that way will guarantee that you get value. Also make copies for each team member. To really make sure something positive happens, work with your business development specialists to talk your team through ideas.



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Measuring business performance with KPIs

These days you need more than a set of financials to accurately measure business performance.

Today businesses and financiers are demanding more effective performance measuring systems that will not only enhance their performance levels, but also give them that all important competitive edge.

The traditional statement of financial performance, statement of assets and liabilities, and so on, is great for providing the financial information. But what they don't do is link operational performance to the business's strategic objectives.

Performance needs to be judged against objective criteria.

This is where KPIs come in - Key Performance Indicators. KPIs are those critical measures which ultimately determine profitability and shareholder value. KPIs are essentially a method of measuring business objectives against performance.

They tell businesses, amongst other things:

- How well they provide services
- How long they take to process customer requests
- Their product delivery performance
- How much time they spend fixing mistakes.

Investors are demanding to know that management strategies are creating value and business people need the appropriate tools to accurately measure performance in the critical areas of profitability and return on net assets. The financials alone are not enough to effectively manage businesses that are seeking to survive and add shareholder and owner value.

KPIs are a way to broaden what businesses measure.

Most small businesses would benefit from improving performance measurement standards, and while there are differing views on how this should be achieved, one point is clear. No single measure can provide a clear picture of a business. The complexity of managing a business today requires managers to be able to view performance in several areas.

Understanding Key Performance Indicators will greatly assist in finding out the financial health of your business, identify the critical strengths and weaknesses and evaluate the impact of future business strategies.

Your account will be able to discuss these issues with you in greater detail.



An important Message

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