

Displacing Establish Competitors Ann Arbor SPARK



Arbor Dakota

What is our mission?

Get you to think about the challenges and approaches to selling disruption and displacing larger, more established and entrenched competitors



What is our mission?

[Skim the surface - Idioms by The Free Dictionary](#)

To do, engage with, or understand something to only a minimal or superficial degree.



We.....

are revolutionizing our market. We are doing something that no one has ever done. We have no competition. There is no one like us. We will displace incumbents and dominate our market with our disruptive technology.

Said almost every entrepreneur ever.



Website

This is what we do, this is how we do it. Our product...Our product....Our product....

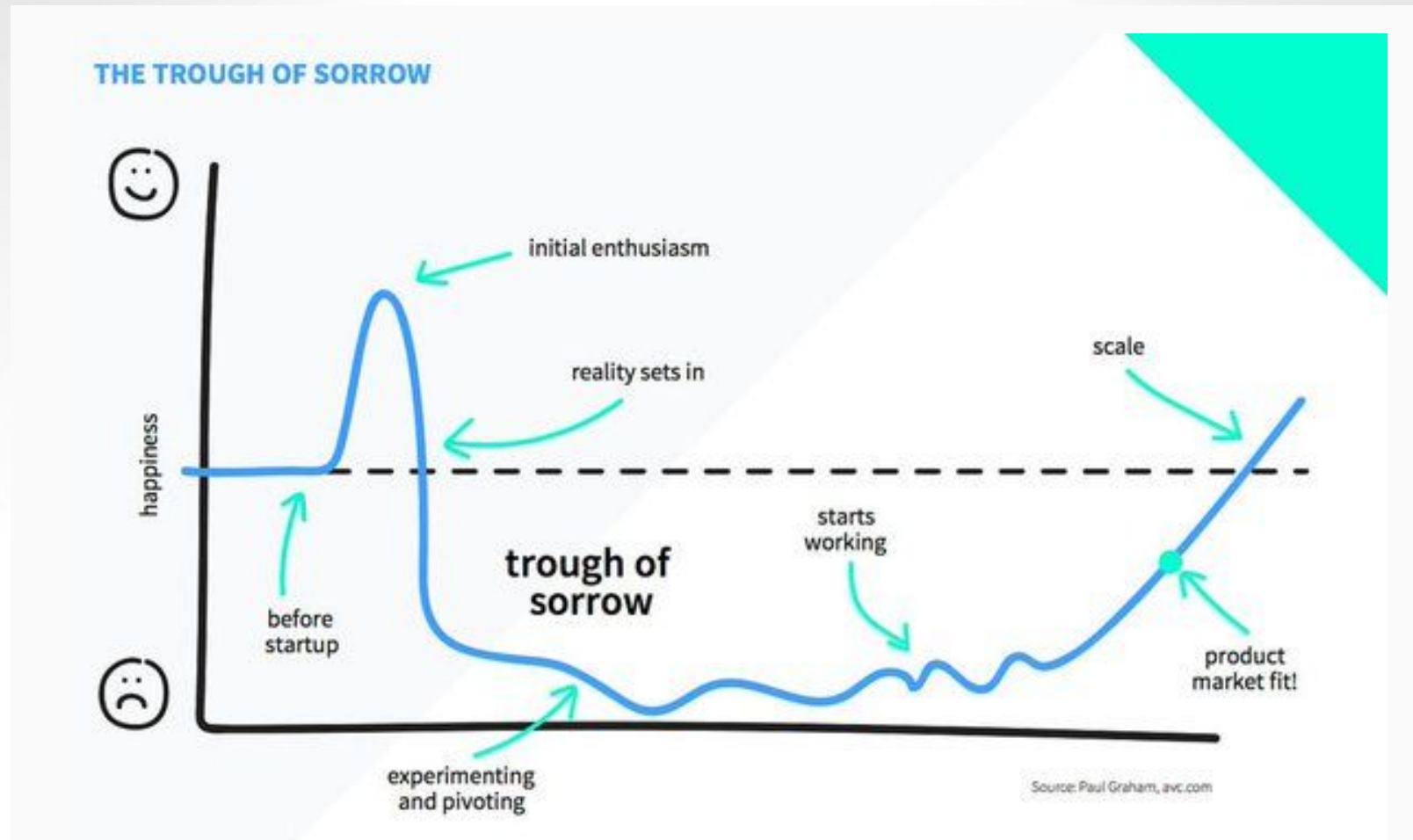
Said almost every website ever.



Then...



The Reality



Displacing Establish Competitors Is Difficult



You

- Have precious time
- Have precious money
- May not be comfortable with sales
- Understand this issue too well
- Use terminology that the buyer may not even understand
- Love your product. I mean you love your product
- Probably don't have a buyers perspective

CRITICAL

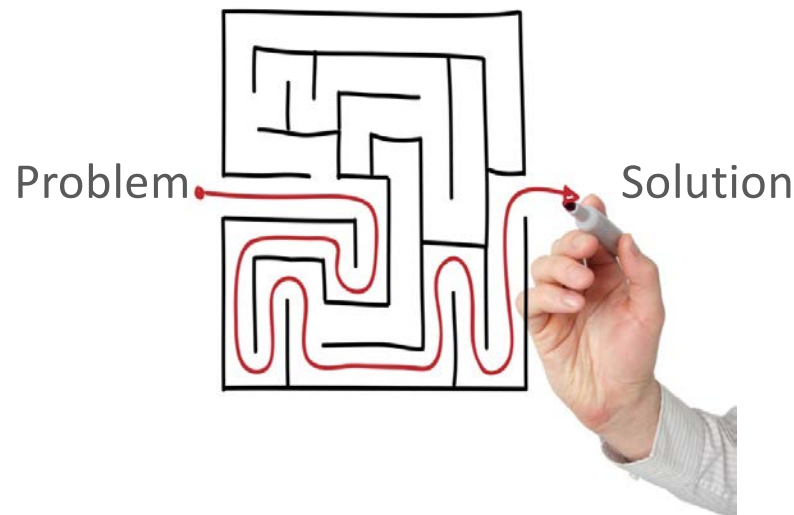
You Must

- Get the buyer to pay attention to your message
- Get the buyer to admit pain
- Get the buyer to agree to do something about the pain
- Get the buyer to understand that your approach is not a short-term fad
- Get them to accept that change is better than the status quo
- Get the buyer to agree that solving the problem now is better than waiting
- Mitigate risk
- Get the buyer to agree to buy without a great deal of proof, market awareness, customer reference stories.....
- Convince the buyer that you have a long-term vision and that you will be around to execute on it

CRITICAL

Sales is.....

helping a potential customer understand that they have a problem that can be solved “by you” which will enhance their business and provide a positive return and then guiding them through a mutually agreeable buying/decision process that gets them over fear of change and mitigates risk.



Reasons People Don't Believe

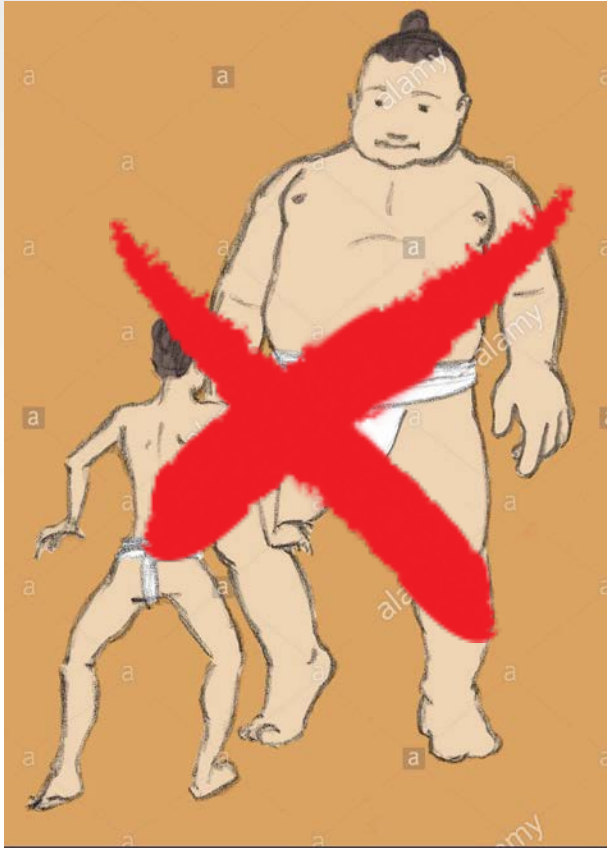
- They don't even hear the message
- Goes against their beliefs
- Goes against the current norm
- They think they know more than you
- They are skeptics in general
- ...



What Do We Do and Where To Begin?



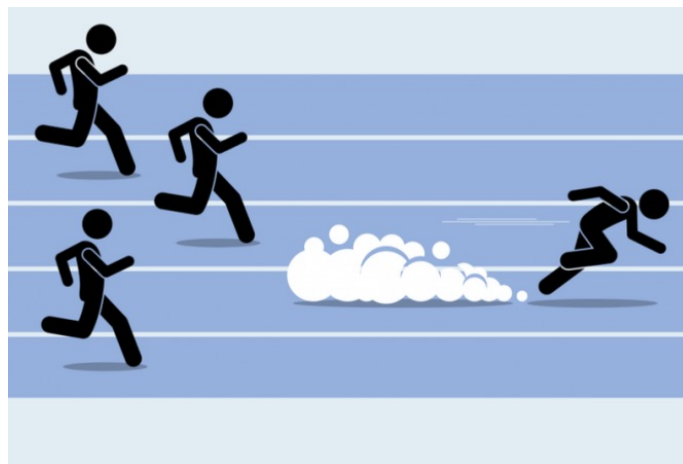
What Do We Do and Where To Begin?



You can't out-muscle a big competitor

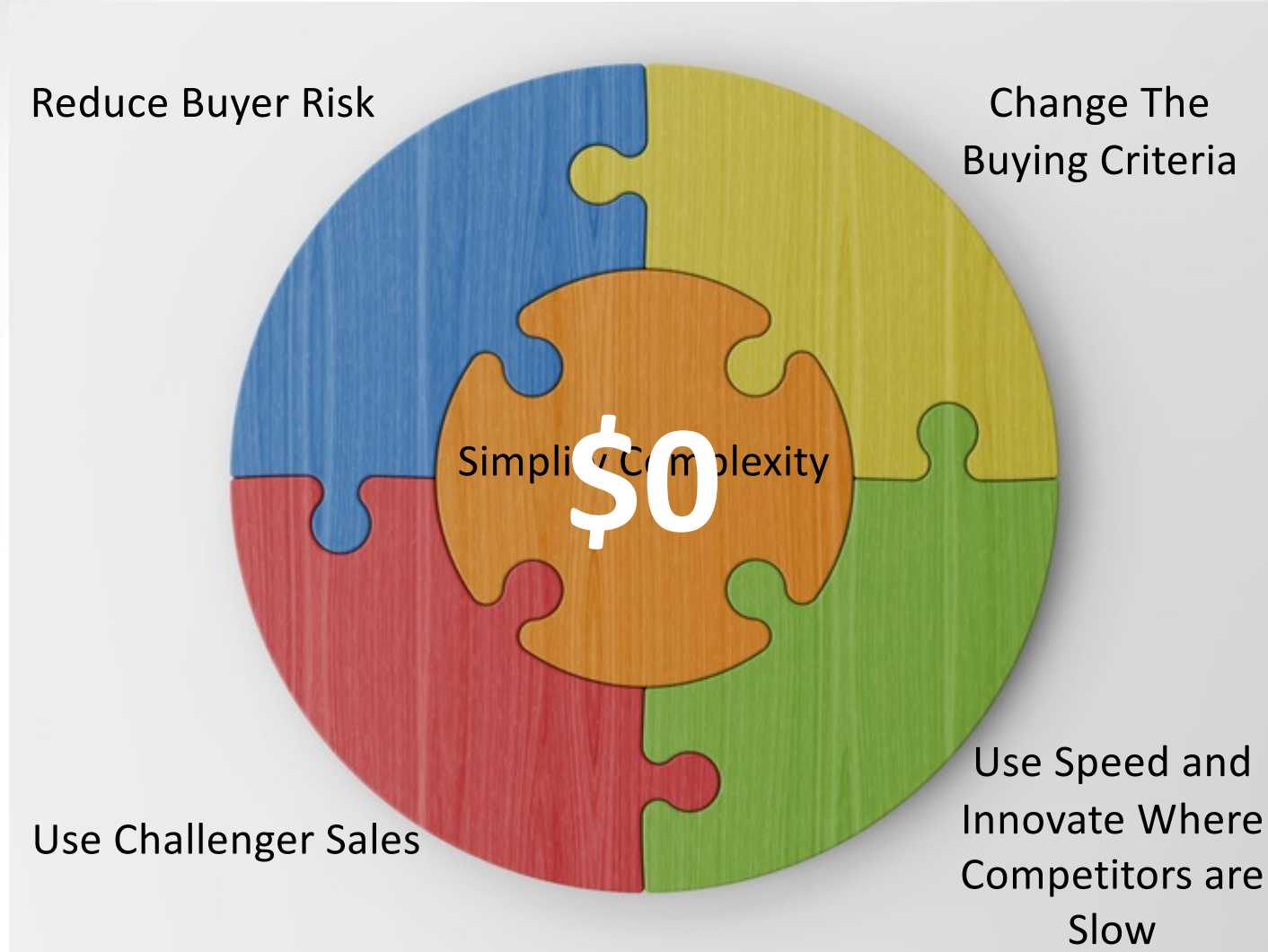


But you can
out-think
them



Or out-run them

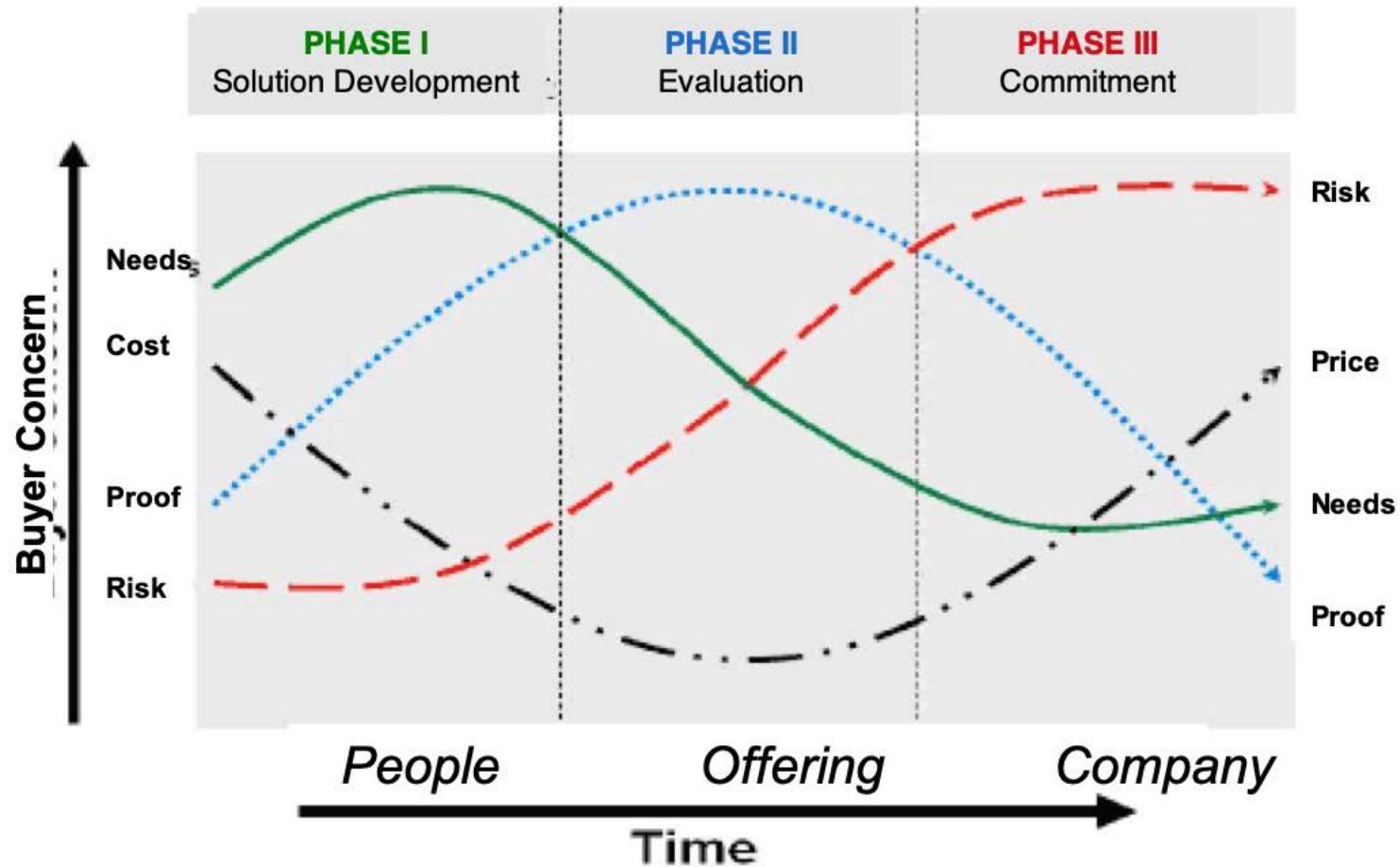
Five Essential Things



Buyers



Shifting Buyer Concerns



Change

- Known solution which is probably, basically working
- Lose features/gain features?
- Lose comfort
- Change workflow
- Retrain employees
- People will be threatened
- Need to spend unbudgeted money



Risk

- What if this doesn't work?
- Career implications
- Job implications
- Will the vendor be there for me?
- What if this is a fad?
- People will be threatened



The More Critical The Product....



Reduce Buyer Risk

- Identify your ideal customer criteria and focus on it
- Look for early opportunities and service the hell out of them
- Develop and sell case studies and testimonials
- Keep your customers happy, evangelical (Net Promoter Score)
- Ask buyers if they have ever purchased a product from a new company and how it went
- Use storytelling and focus on customer pain points
- Justify your product with Justification Toolkit
- Offer money back guarantee on outcomes or ROI



What's your
story?

Case Study Best Practice

- Multiple case studies by size and industry
- What problem did they have?
- What were they using?
- What caused them to buy your solution?
- What was the decision criteria?
- How did they fund your solution?
- What objections did they get internally?
- How did the conversion go?
- What benefits did they derive?
- What positive comments did they get internally?



Justification Toolkit

Thought Leadership

Known

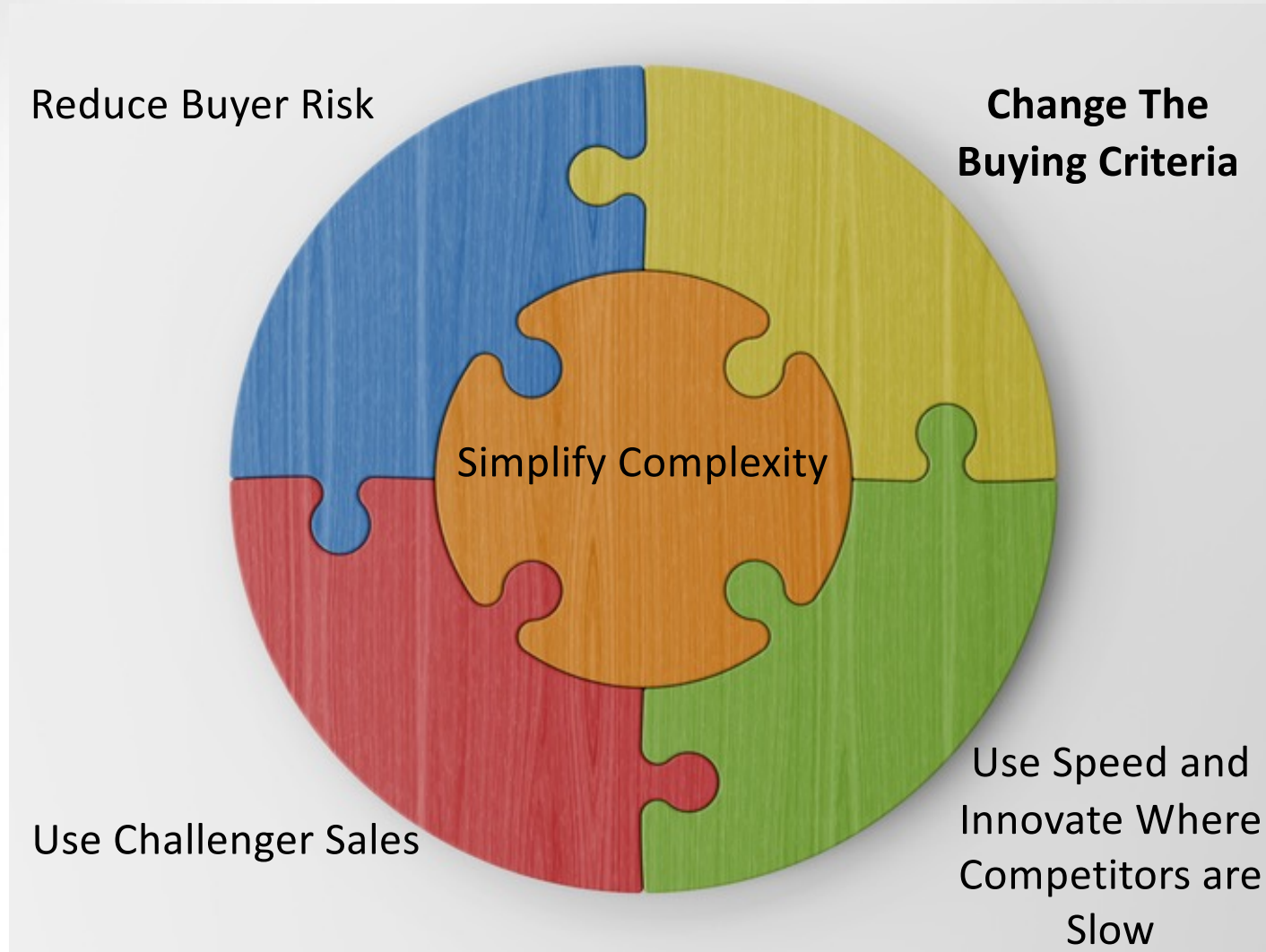
- Become an expert in known industry with known issues

Unknown

- Create a new mental model and show the industry how and why the new approach is better, safer and more valuable. Open their eyes to something new and different. But you have to get their attention first.



Five Essential Things



Change The Buying Criteria

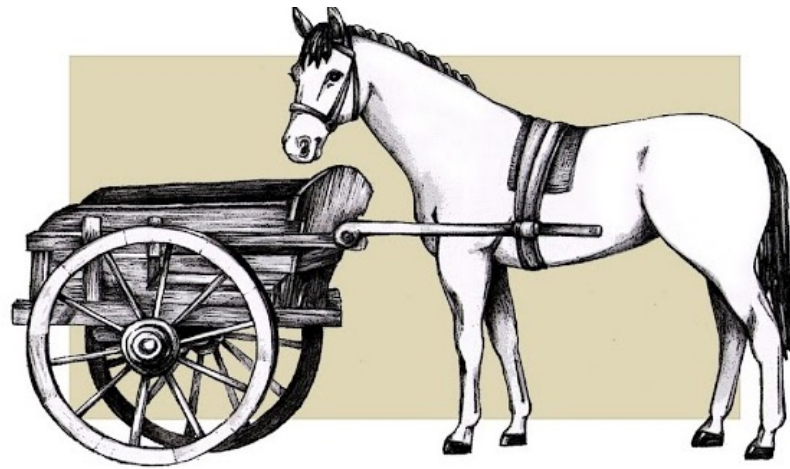
- Look for opportunities for differentiation - Use Blue Ocean tools
- Position yourself boldly and reposition the competition
- Use story-telling and focus on customer pain points
- Build a strong message map and use it
- Don't compete (only) on price. Establish a quality position





What's your
story?

Don't Put the Cart Before the Horse



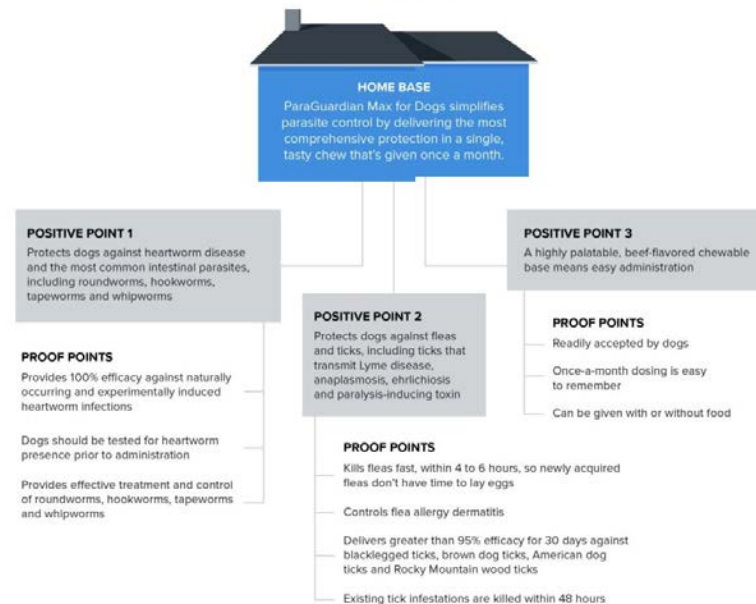
Do Your Messaging Before Lead Generation

Message Map

A message map is a framework used to create compelling, relevant messages for various audience segments. It also serves as an organizational alignment tool to ensure message consistency. Whether you are launching your company, introducing the next big product, or preparing for other major marketing campaigns, messaging mapping is an important step in communicating effectively.

MESSAGE MAP

EXAMPLE



Case Study Best Practice

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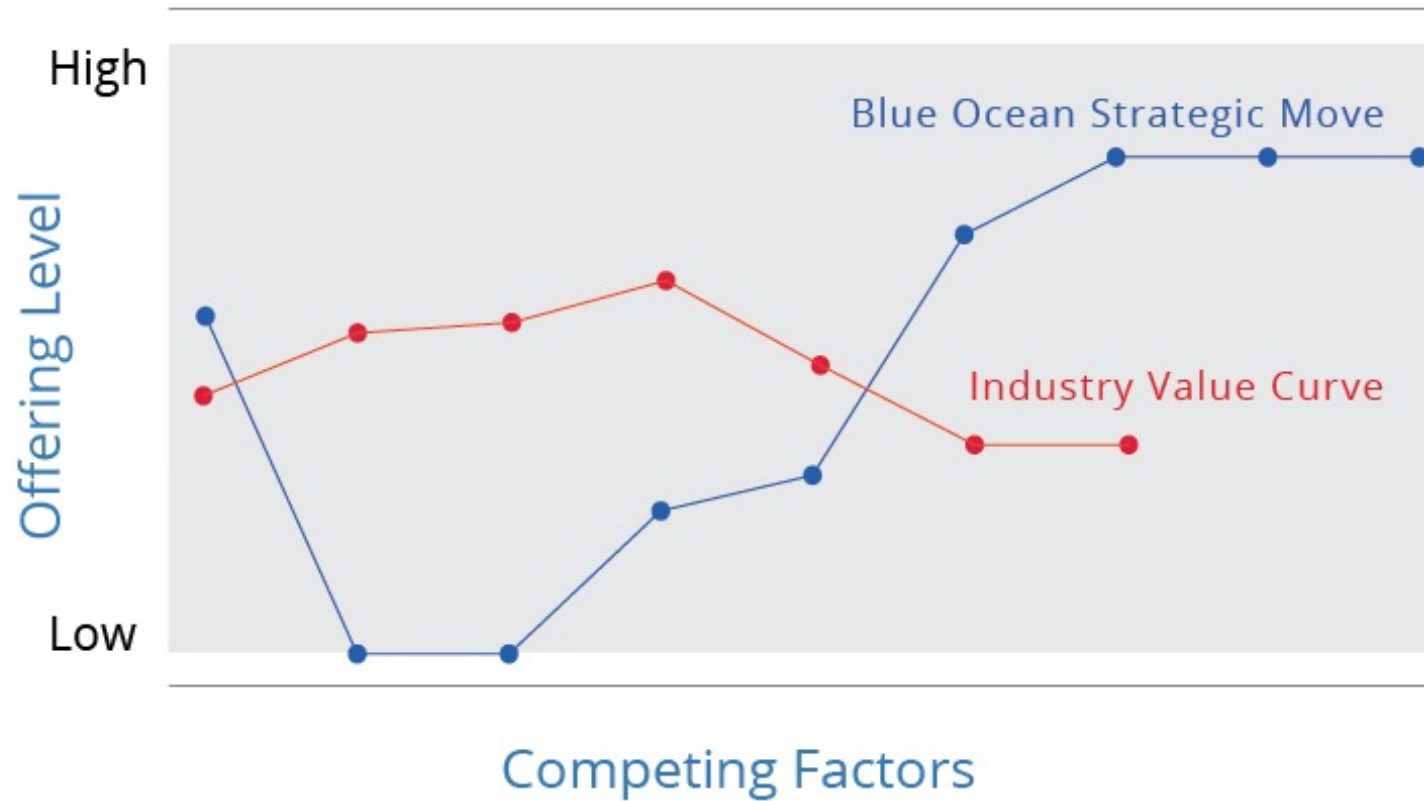
Differentiation Is Essential

DIFFERENTIATE
or die

But Not on Price Alone



Goal - The Strategy Canvas



ERRC

ELIMINATE

RAISE

REDUCE

CREATE

FOUR TRAITS OF A BLUE OCEAN STRATEGIST

1.

Blue ocean strategists do not take industry conditions as given. Rather, they set out to reshape them in their favour.

2.

Blue ocean strategists do not seek to beat the competition. Instead they aim to make the competition irrelevant.

3.

Blue ocean strategists focus on creating and capturing new demand, not fighting over existing customers.

4.

Blue ocean strategists simultaneously pursue differentiation and low cost. They aim to break, not make, the value-cost trade off.

© Kim & Mauborgne - **BLUE OCEAN SHIFT**

Have You Heard Of or Been to Cirque du Soleil?



https://www.youtube.com/watch?v=GkF_yStN4pw

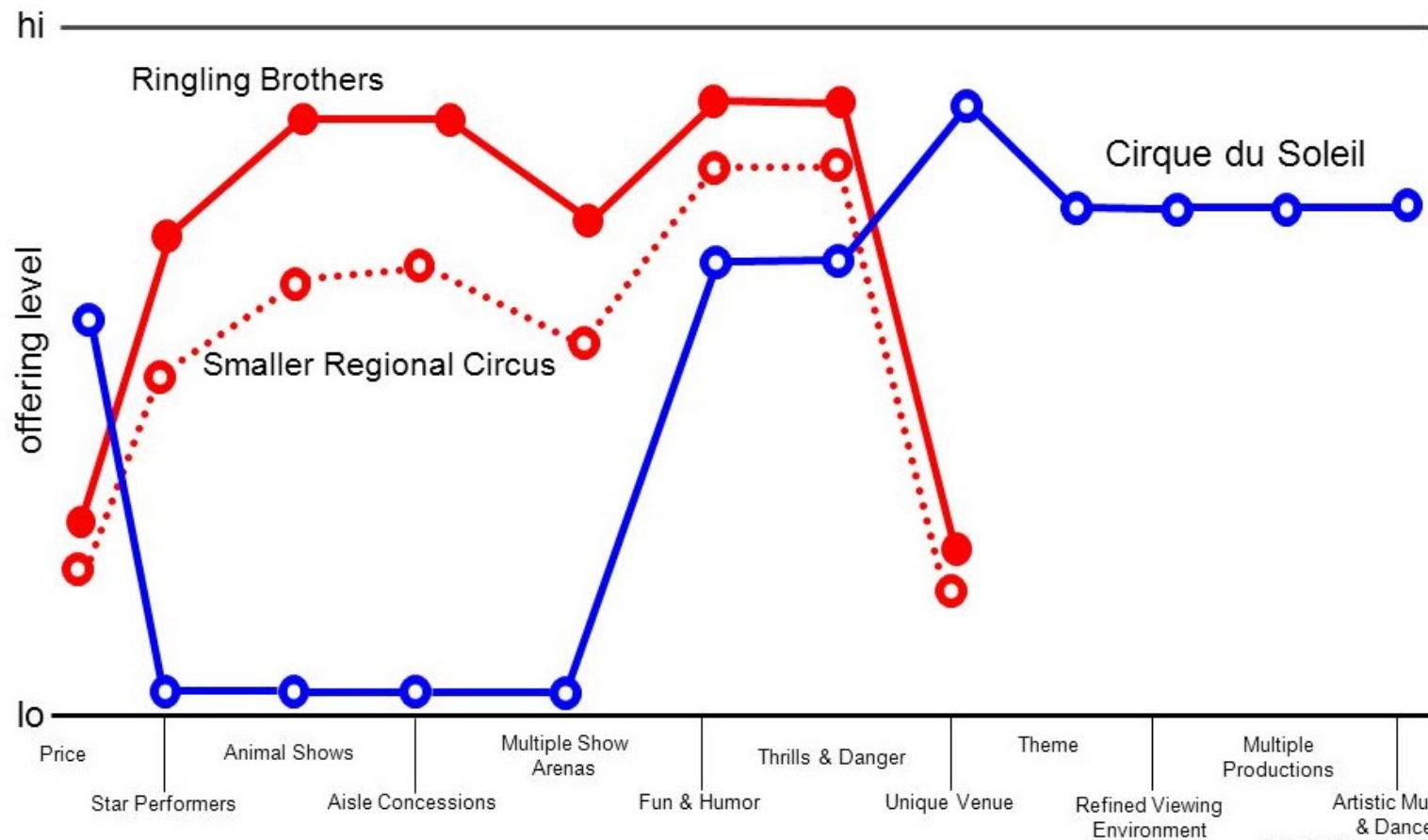
Cirque du Soleil

Eliminate-Reduce-Raise-Create Grid: The Case of Cirque du Soleil

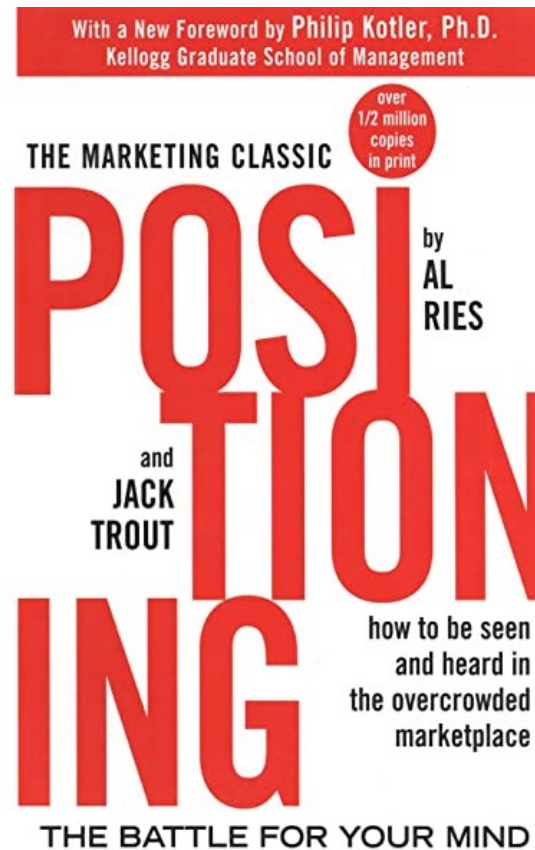
Eliminate Star performers Animal shows Aisle concession sales Multiple show arenas	Raise Unique venue
Reduce Fun and humor Thrill and danger	Create Theme Refined environment Multiple productions Artistic music and dance

Cirque du Soleil

The Strategy Canvas of Cirque du Soleil



Positioning



Positioning

Positioning refers to the place that a brand occupies in the minds of the customers and how it is distinguished from the products of the competitors. In order to position products or brands, companies may emphasize the distinguishing features of their brand (what it is, what it does and how, etc.) or they may try to create a suitable image (inexpensive or premium, utilitarian or luxurious, entry-level or high-end, etc.) through the marketing mix. Once a brand has achieved a strong position, it can become difficult to reposition it.

Positioning

- It's about creating perception in the buyers mind
- Perception can change from buyer to buyer. But, the marketer that does the best job of selling their market position versus alternatives, generally wins
- Entrepreneurs need to understand that positioning can be more critical than the product itself.
- But your market position must be defensible based on your product and must be relatively true and believable

Repositioning Aspirin

Repositioning aspirin

Tylenol went out and burst the aspirin bubble.

“For the millions who should not take aspirin,” said Tylenol’s ads. “If your stomach is easily upset ... or you have an ulcer ... or you suffer from asthma, allergies, or iron-deficiency anemia, it would make good sense to check with your doctor before you take aspirin.

“Aspirin can irritate the stomach lining,” continued the Tylenol ad, “trigger asthmatic or allergic reactions, cause small amounts of hidden gastrointestinal bleeding.

“Fortunately, there is Tylenol ...”

Sixty words of copy before any mention of the advertiser’s product.

2x2 Matrix

Price

Quality

2x2 Matrix

Service		

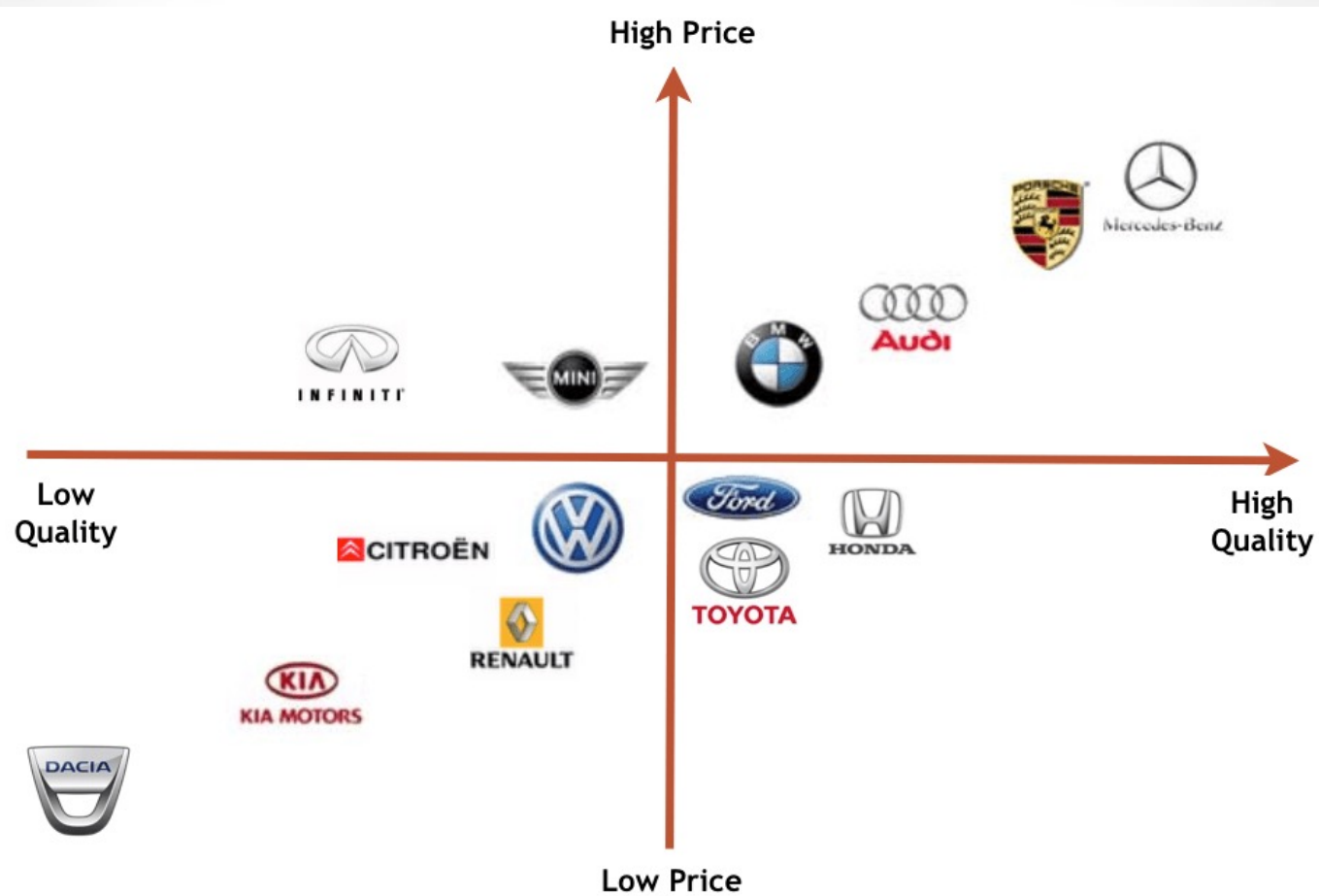
Functionality

2x2 Matrix

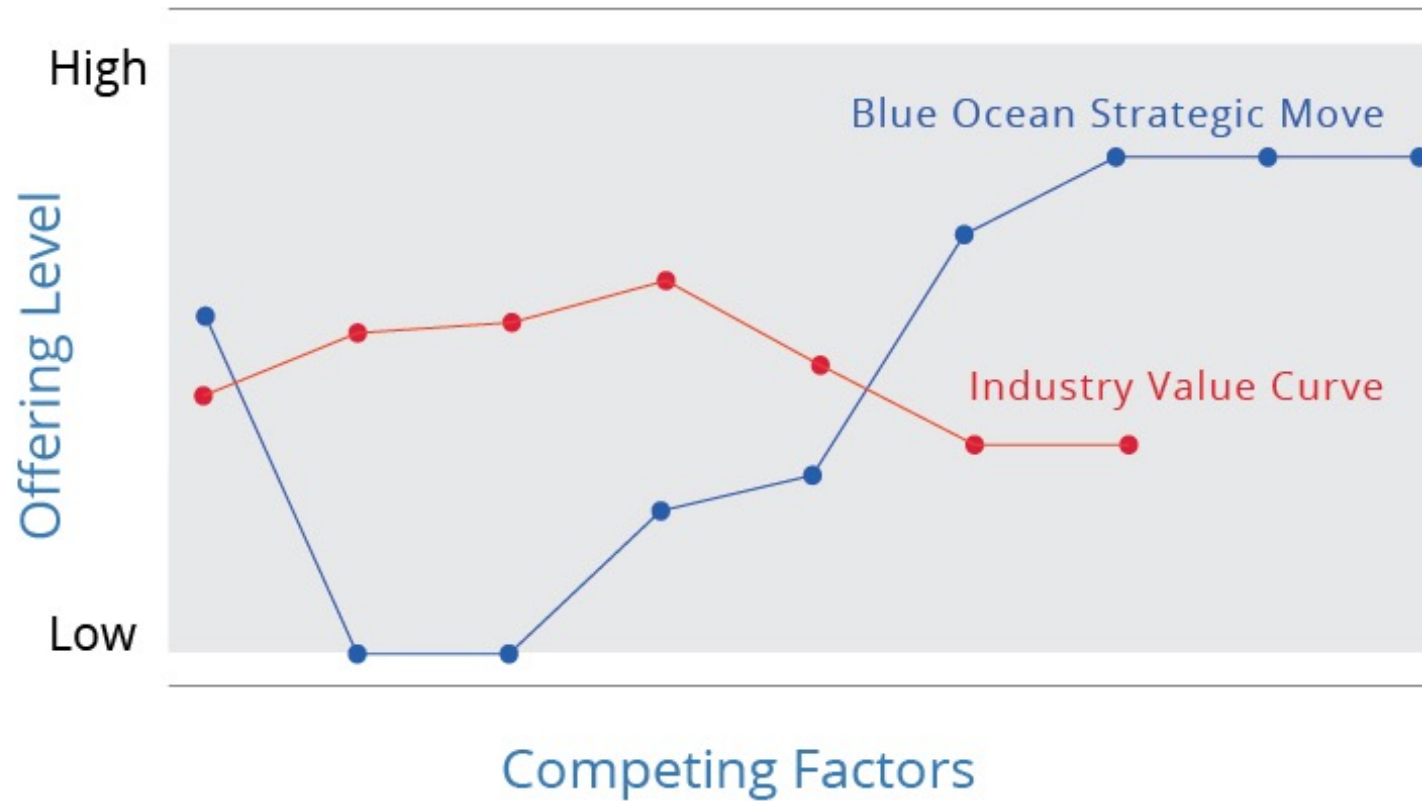
Speed		

Reliability

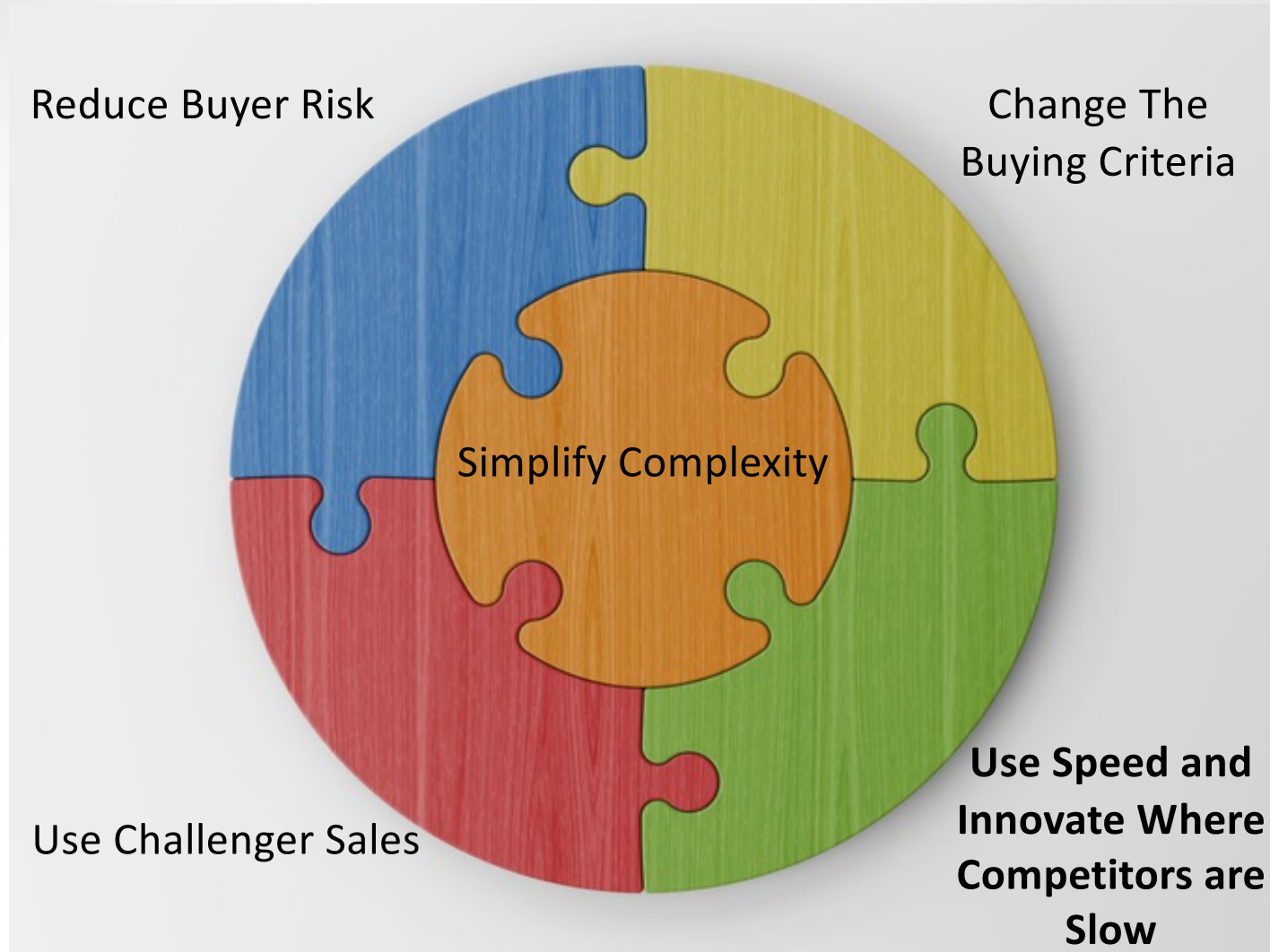
2x2 Matrix



Strategy Canvas



Five Essential Things

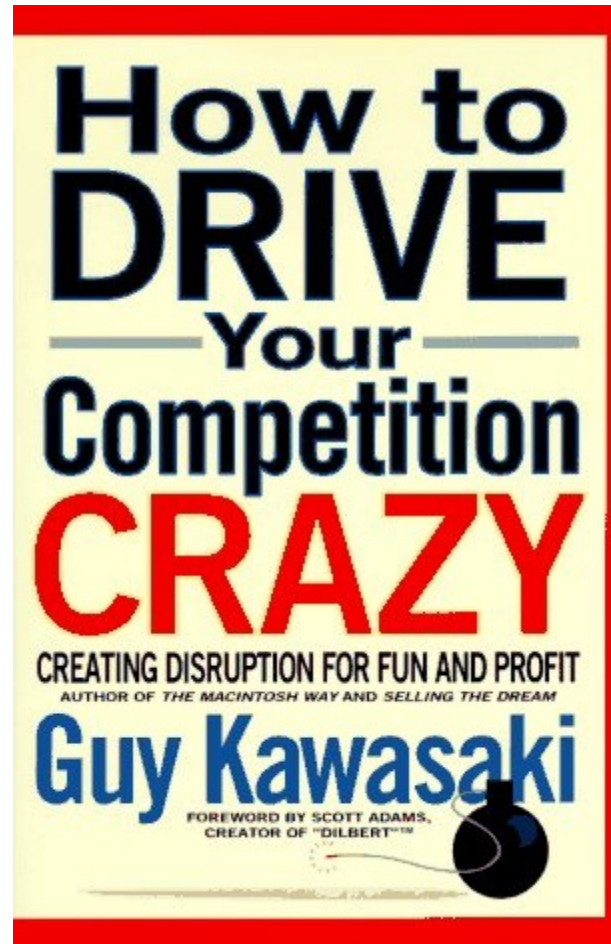


Established Competitor

- Large
- Political
- Many customers to deal with
- Probable “most-favored nation” clause in place
- Slow to react



Use Your Damn Speed



Examples

(Doing things differently from the norm)

Fast Innovation means coming up with pragmatic but critical and cross-functional ideas that increase your competitive position

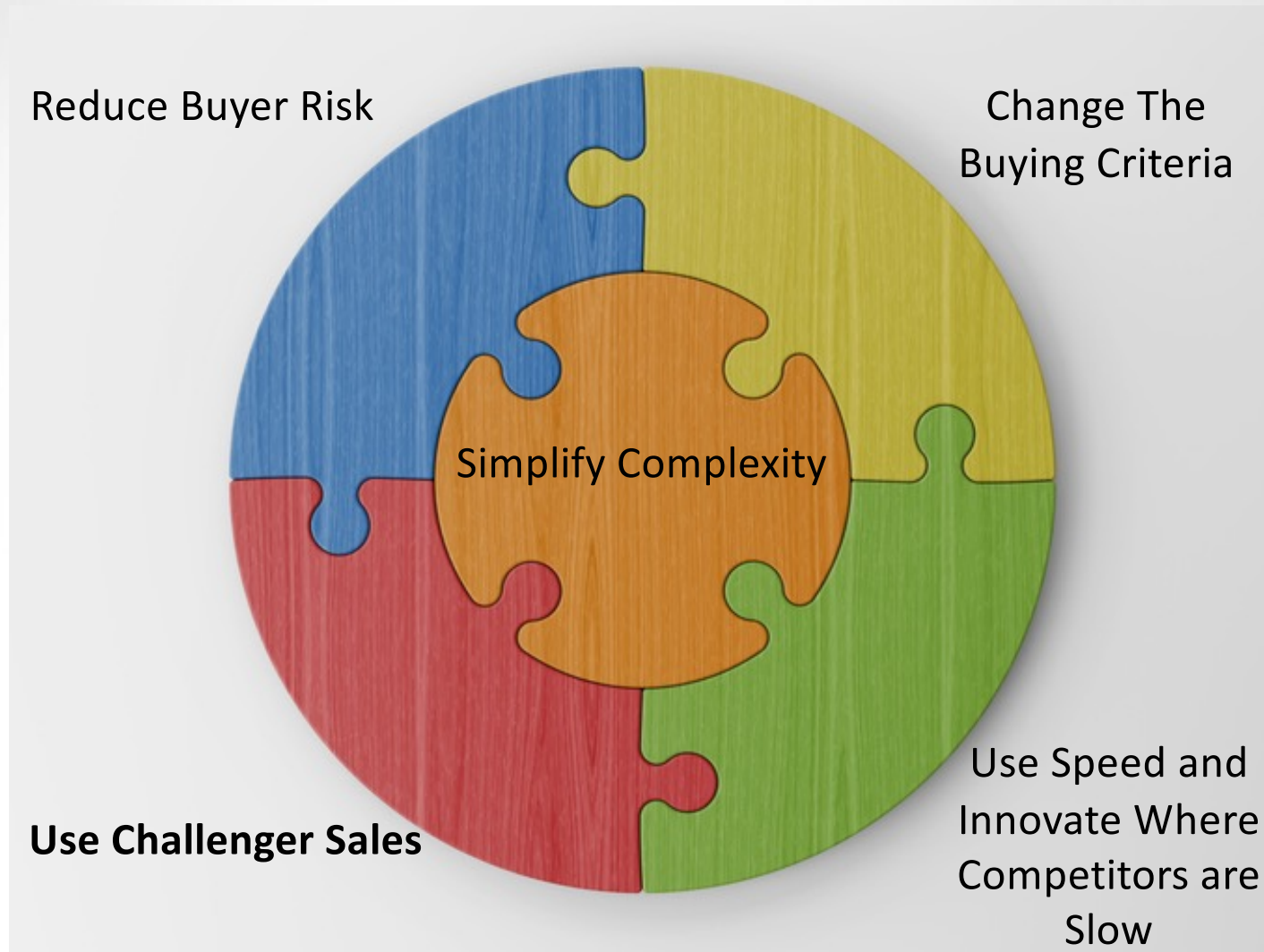
- Product but also...
- Business model
- Pricing
- Strategy
- Distribution
- Sales
- Marketing
- Messaging
- Positioning
- Support and Training
- On and on...



Use Speed Where Competitors Are Slow

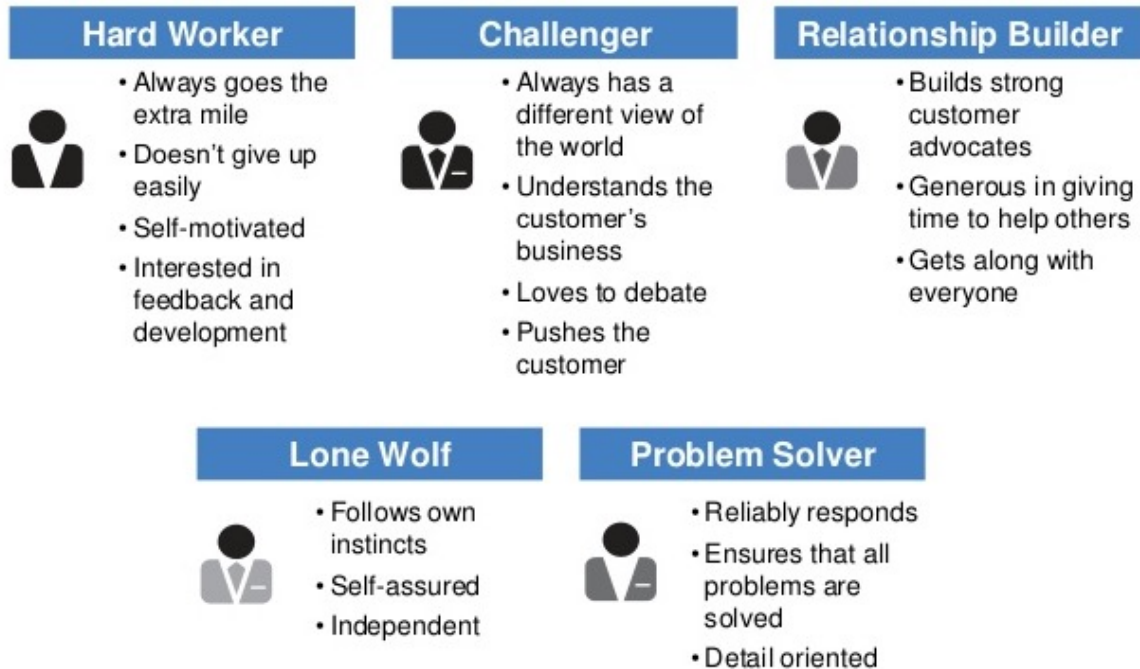
- Look at competitors and identify things that you can rapidly improve on where they would not be able to change (pricing model, business model, technology...)
- Innovate across the org structure
- Anticipate
- Spot trends (but be careful)
- Make yourself look bigger than you are
- HealthMedia Example: Customer conference, newsletter, money back guarantee, branched out from wellness to DM and BH, invented Digital Coaching, focused on productivity, measured outcomes
- Then at J&J it took me three months to what I could do in three hours at HealthMedia

Five Essential Things

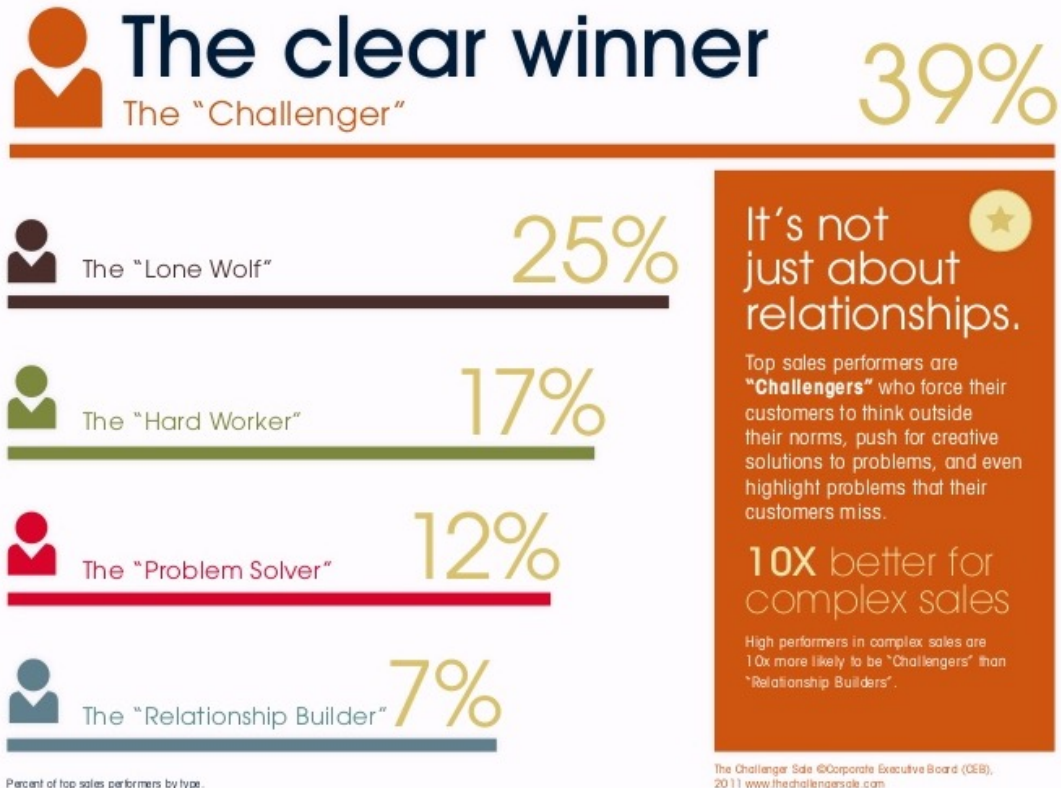


Challenger

THE FIVE PROFILES OF SALES REPS

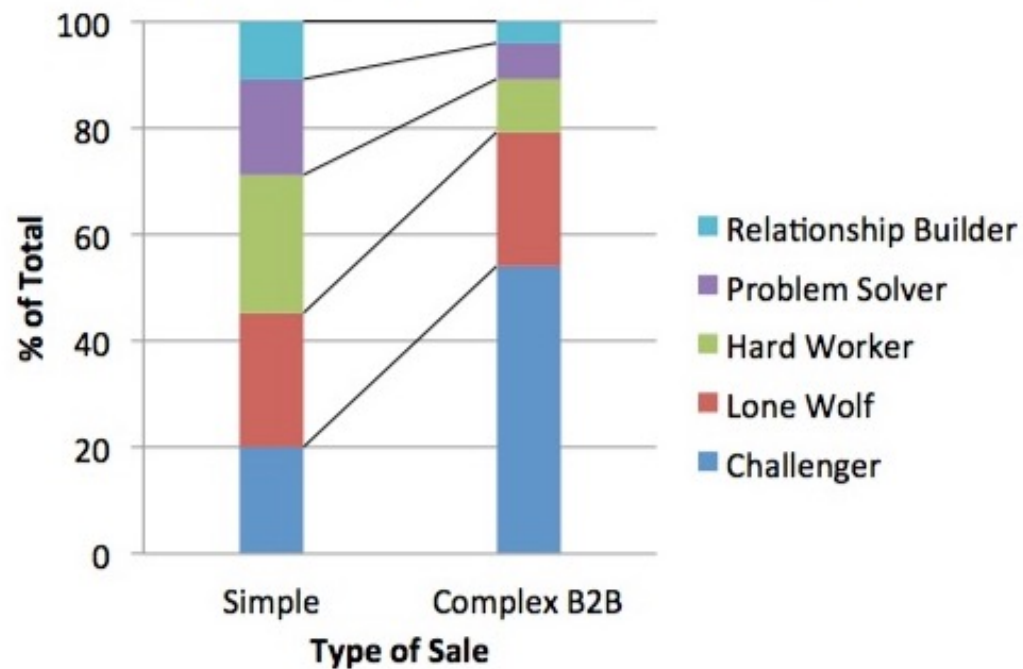


Challenger



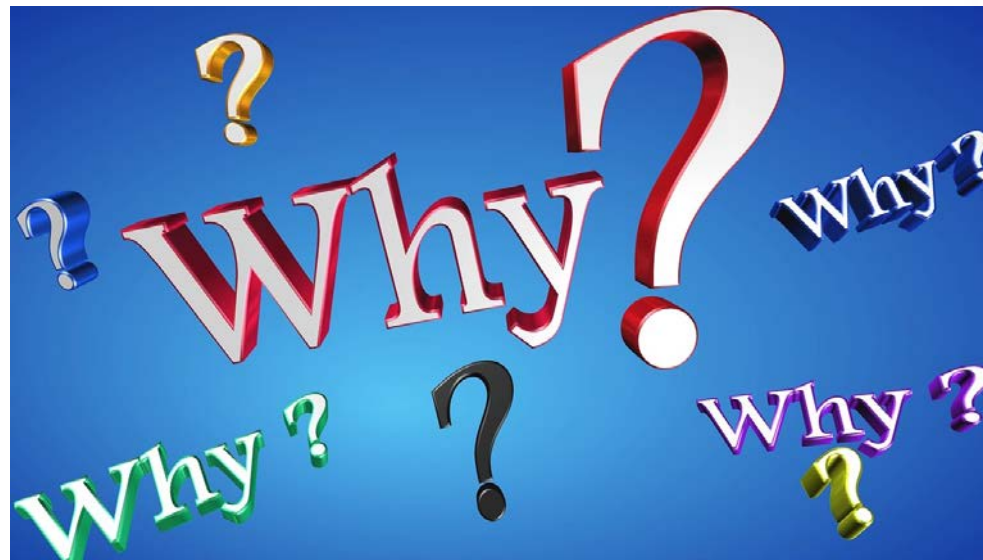
Challenger

Sales Performance by Type Low-High Complexity, (top 20% of reps)



Source: The Challenger Sale

Challenger



Likely Buyer Objections

Cognitive

Does you prospect understand the pain, the product, the benefits?

Motivational

Is this a priority? Do they care?

Does this interrupt their current workflow?

Resource

Do they have the time, the money, the people, the skills?

Political

Is there an internal reason that they can't buy from you?

Feature

Is there some feature or function that they absolutely need that you don't offer?

Risk

Is there some risk that you pose for the company or buyer (either risk to their career or job junction)?

Challenger

THE CHALLENGER FINGERPRINT

Challenger		Relationship Builder	
<ul style="list-style-type: none">• Offers unique perspective• Two-way communication skills	Teaches	<ul style="list-style-type: none">• Forms good relationships• Builds customer advocates• Builds cross-functional relationships	Gets along with Others
<ul style="list-style-type: none">• Knows customer value drivers• Can ID economic drivers	Tailors		
<ul style="list-style-type: none">• Comfortable discussing money• Can pressure the customer	Asserts Control	<ul style="list-style-type: none">• Can work with anyone• Is genuine	Likeable
		<ul style="list-style-type: none">• Accessible to the customer• Gives time to help others• Respects the customer's time	Generous with Time
Build Constructive Tension		Reduce Customer Tension	

Challenger

Leveraging Constructive Tension with 3 Key Skills



← Challengers give insights to **reframe** how clients think about their business.

← Challengers tailor their pitch to specific stakeholders, allowing them to win over **multiple stakeholders**.

← Challengers **stand firm** and push back on client requests in a non-aggressive way.

← Challengers offer insights & hypotheses to address client risk-aversion and **move them forward**.



Challengers

(my observations)

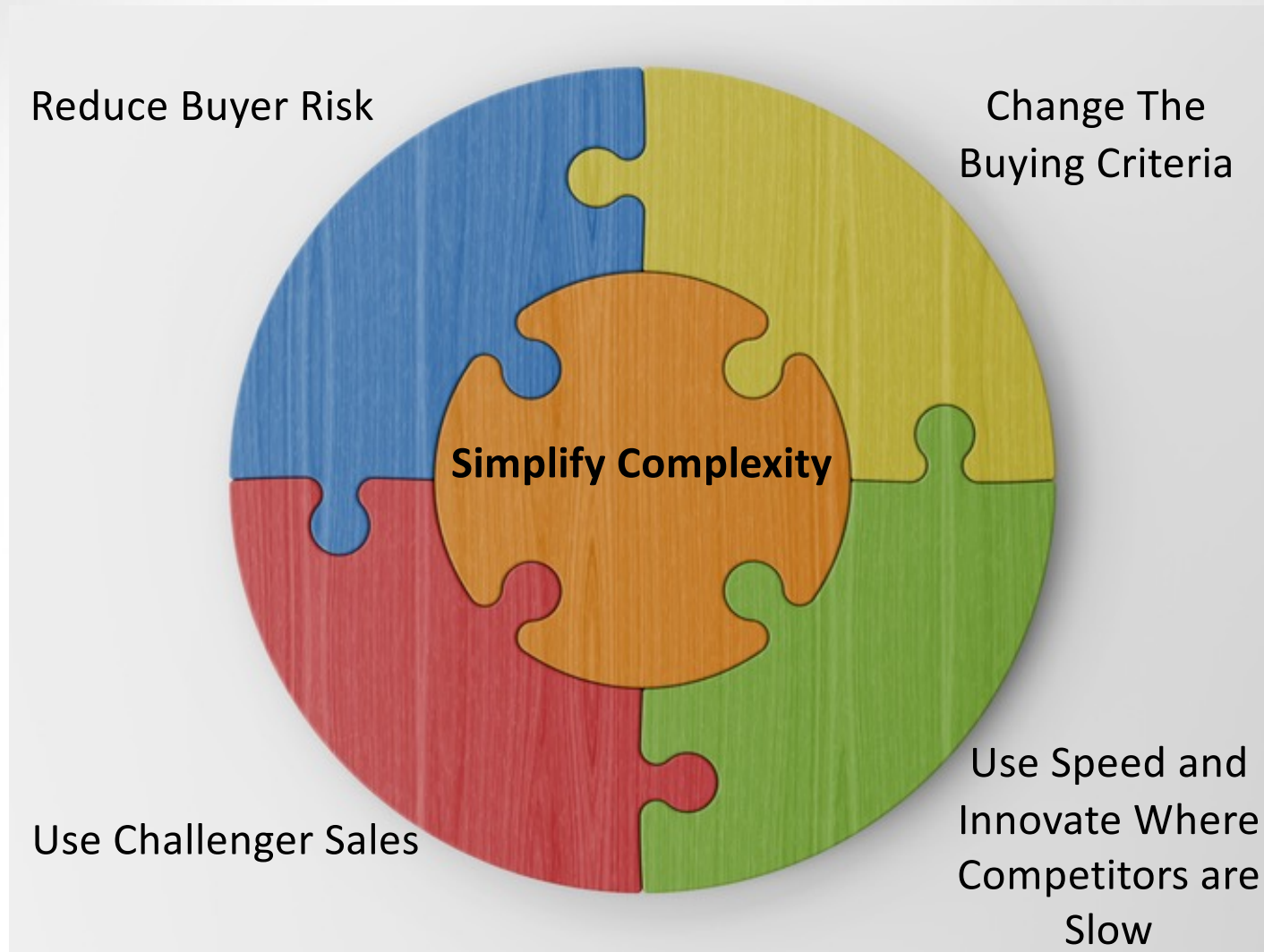
- Focus on customer problems, not their product
- Constantly defend their market position and differentiation as they relate to the customer problems
- Control the sales process
- Constantly qualify (on decision criteria, decision process, authority, money, time frame...)
- Are great poker players (read the room)
- Anticipate objections
- Never just listens to what the prospect says, but observes what the prospect does
- Are exceptional improv actors
- **Are extremely professional at being a challenger**

But wait. I'm confused

One of the principles of Sales is “Power buys from Power” — but many never understand this important lesson...



Five Essential Things



Simplify Complexity

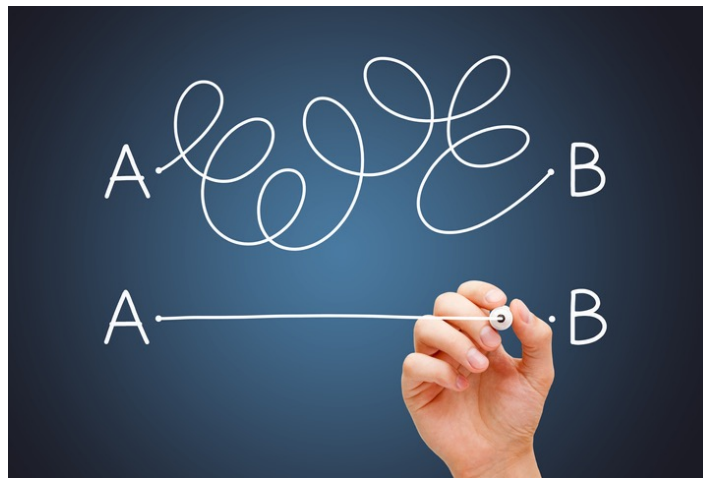
- Use storytelling – Why did you start your company?
- Avoid technical terms and marketing speak
- Always start with the problem, not the product and certainly not the technology
- When describing your product, make sure that you use terminology and concepts understood by the intended audience. BTW, this is really hard.
- Use real, practical examples to support your message where possible
- Market-test your messaging with people who do not work in your company and represent the average buyer, not the sophisticated buyer

Messaging

- **Clear:** Is your message clear so it can be easily understood by anyone?
- **Concise:** Is it short enough so you don't lose the attention of the buyer?
- **Compelling:** Is the message strong enough to make a potential buyer actually make a change?
- **Consistent:** Are we keeping the message the same or does it constantly change?

How Do You Simplify Complexity?

- Always start with the problem, not the product and certainly not the technology.
- When describing your product, make sure that you use terminology and concepts understood by the intended audience. ...
- Use real, practical examples to support your message where pos



Selling a Disruptive Product

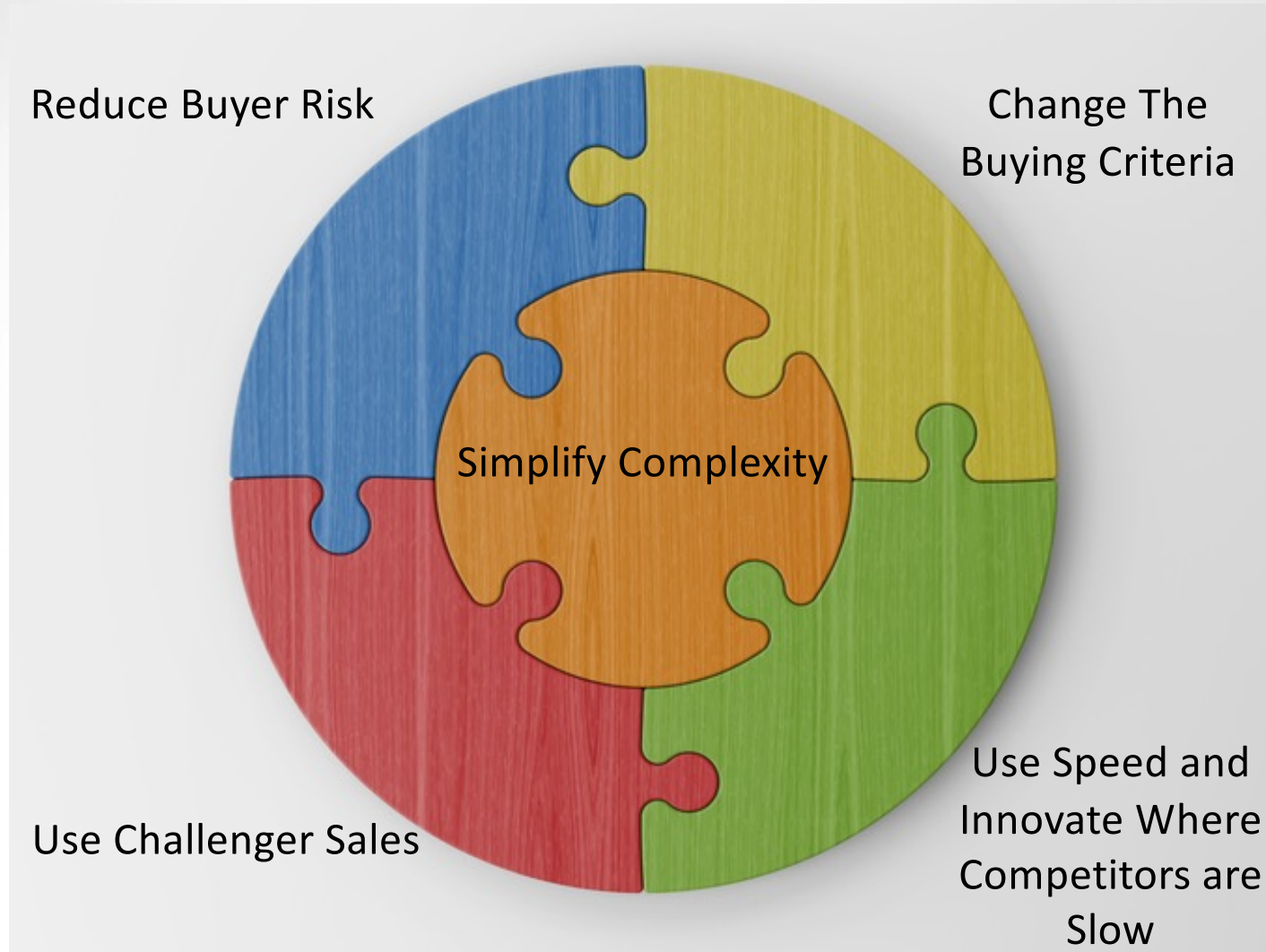
Known

- Buyers understand the problem
- Buyers understand the category
- Buyers know the players
- Buyers understand the buying criteria
- Buyers have read about the benefits of the category in known publications
- Buyers can talk to multiple reference accounts
- Category risk has been mitigated

Unknown

- Buyer may not know that they have a problem or that a solution exists
- Buyers don't understand the category or your messaging
- Buyers don't believe your solution will work for them.
- Buyers don't understand the buying criteria
- Buyers want to know if this is a fad or a real category
- Buyers don't know the players
- There are no comparison companies
- Buyers don't want to be first in their market (they are not ready yet)
- Buyers have not read about the benefits of the category in known publications
- There are few references
- You are a big risk to them

Five Essential Things





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