

UNDERSTANDING YOUR CUSTOMERS AND BUILDING A COMPETITIVE ADVANTAGE



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Greater Aiken

MICHAEL PORTER ...

Recognized Expert on **COMPETITIVE ADVANTAGE**



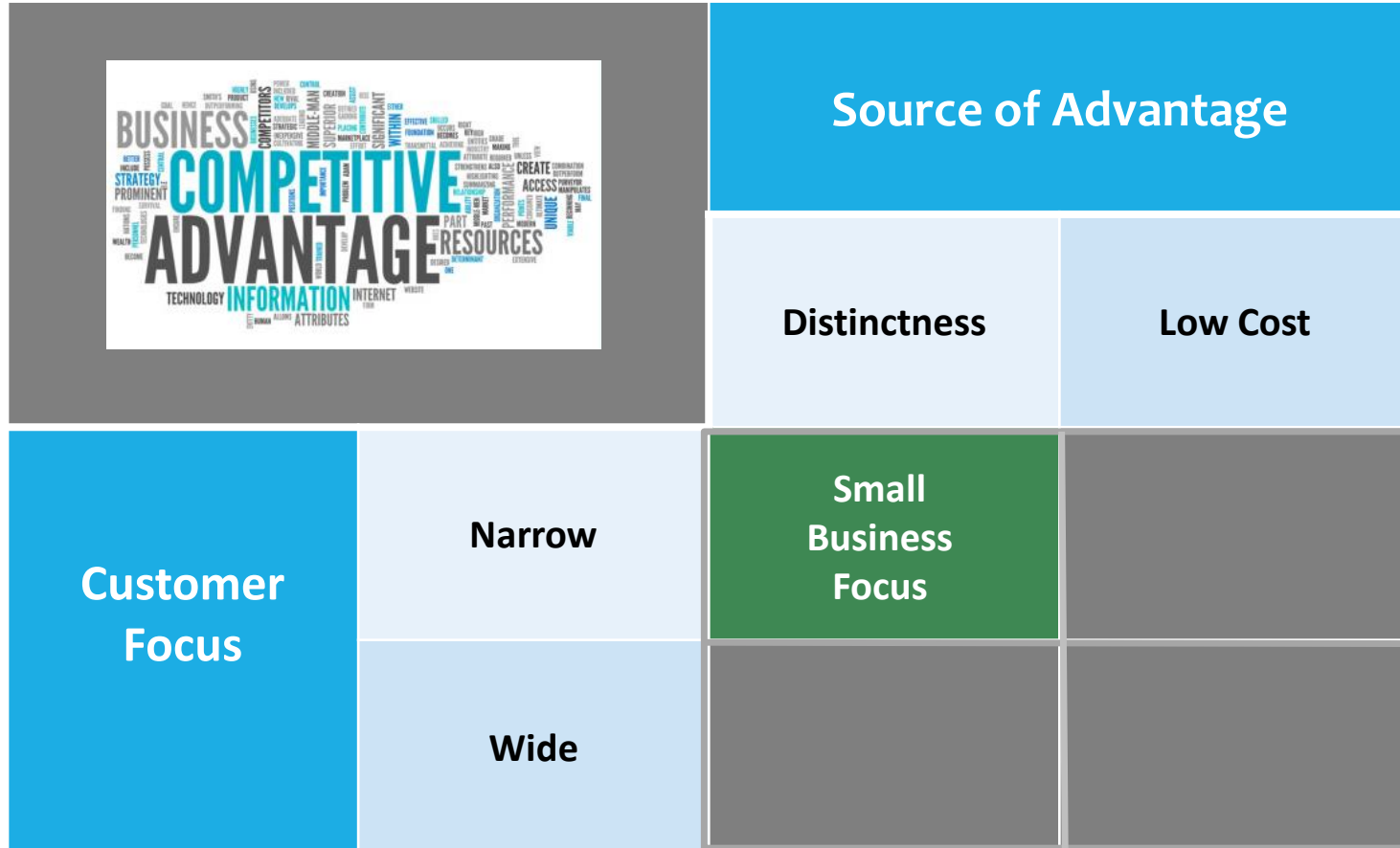
**HARVARD
BUSINESS SCHOOL**

The author of 18 books including *Competitive Strategy* and *Competitive Advantage*. He is a six-time winner of the McKinsey Award for the best *Harvard Business Review* article, and is the most cited author in business and economics throughout the globe. He chairs Harvard's program for new CEOs of large corporations.

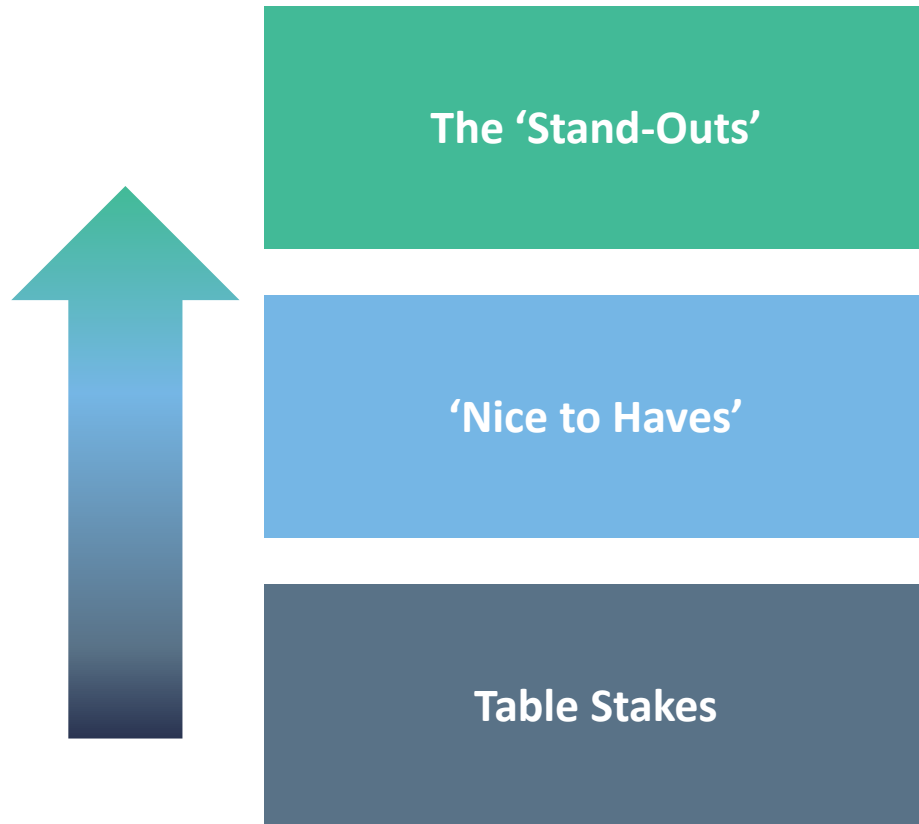


Small Business Realism:

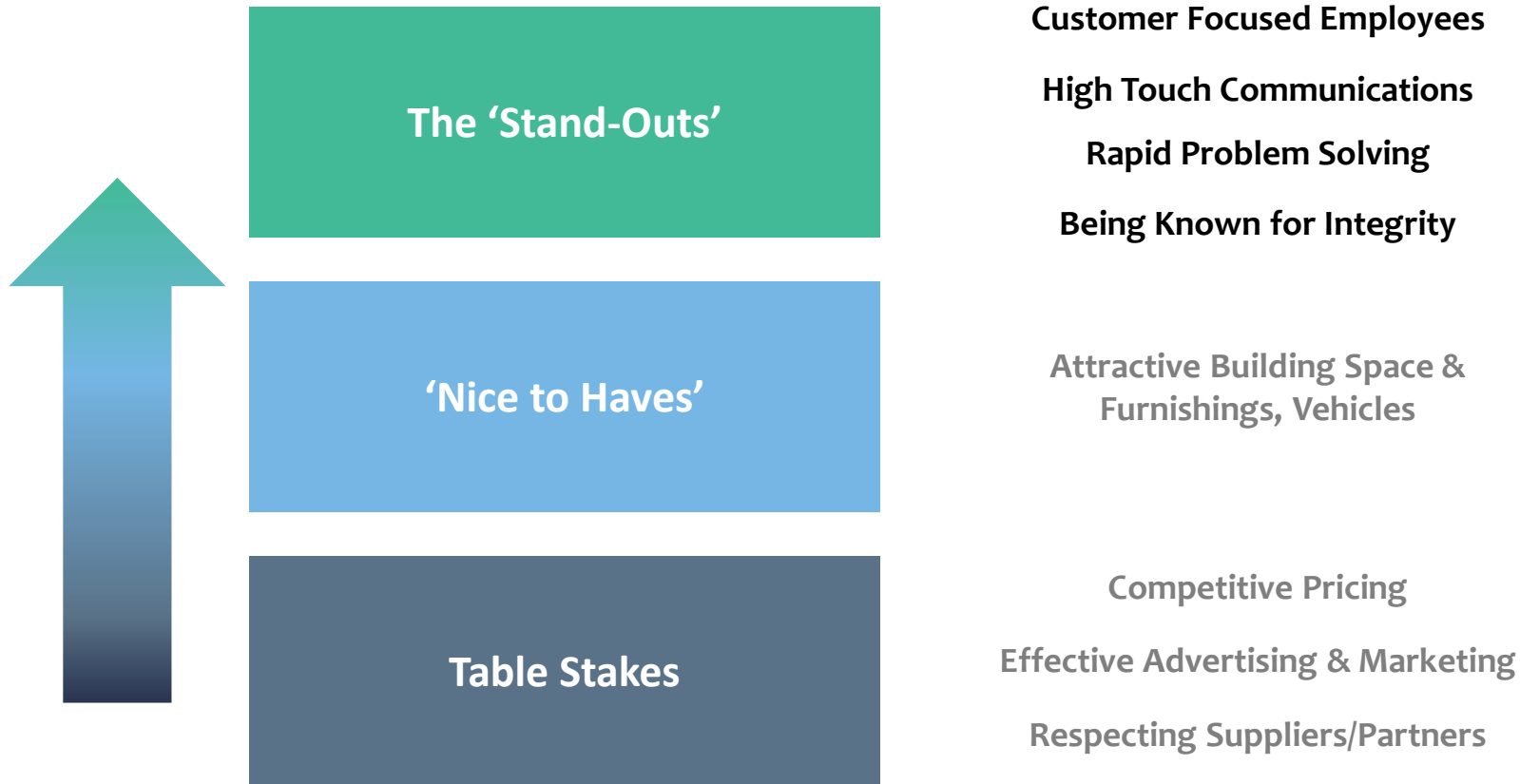
Concentrate on a Narrow Set of Products/Services and Deliver 'Stand-Out' Service no Matter the Field



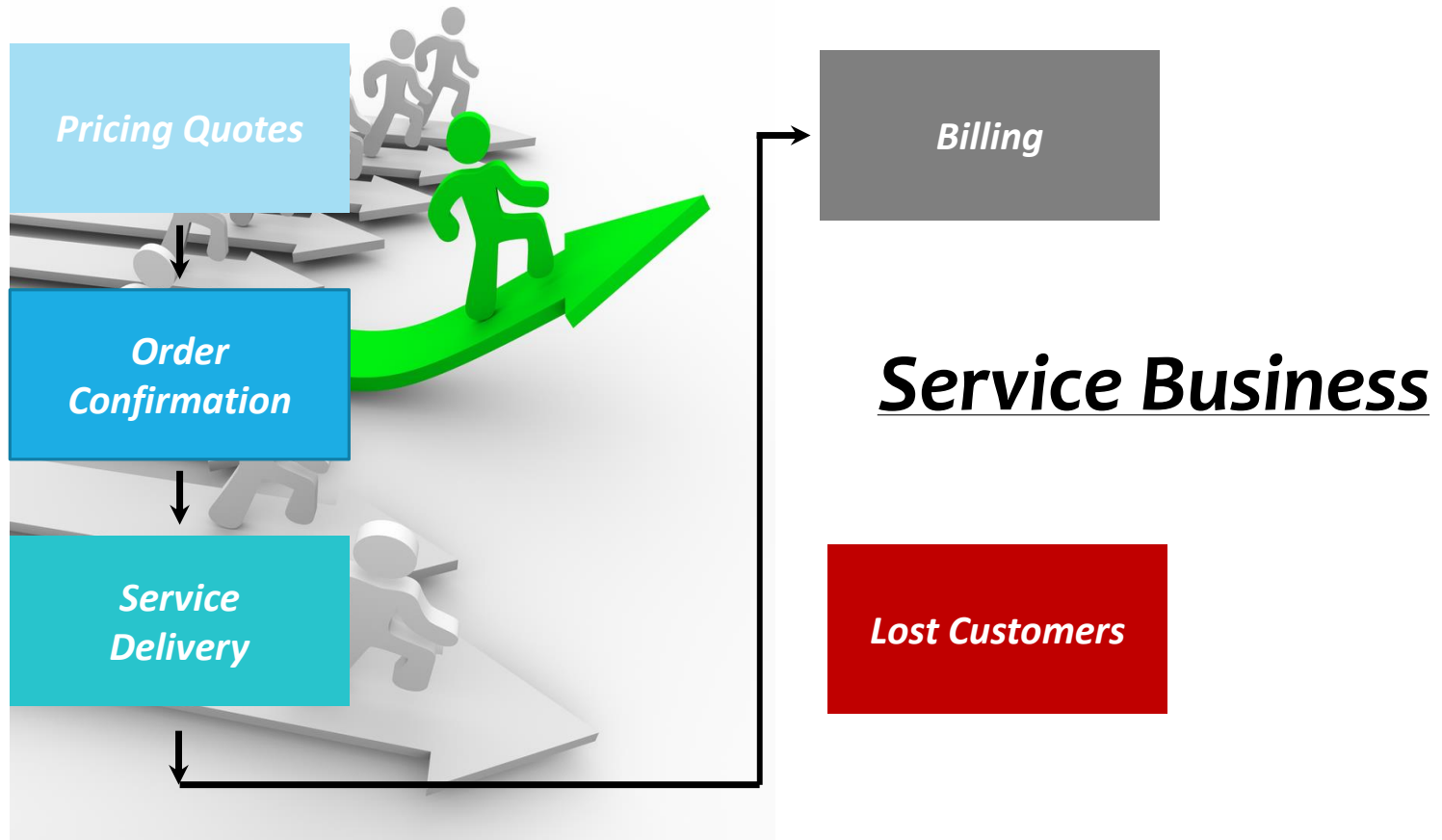
KNOWING WHERE TO STANDOUT IN SERVICE DELIVERY IS ESSENTIAL...



IDENTIFYING WHERE TO STANDOUT IN SERVICE DELIVERY IS ESSENTIAL...

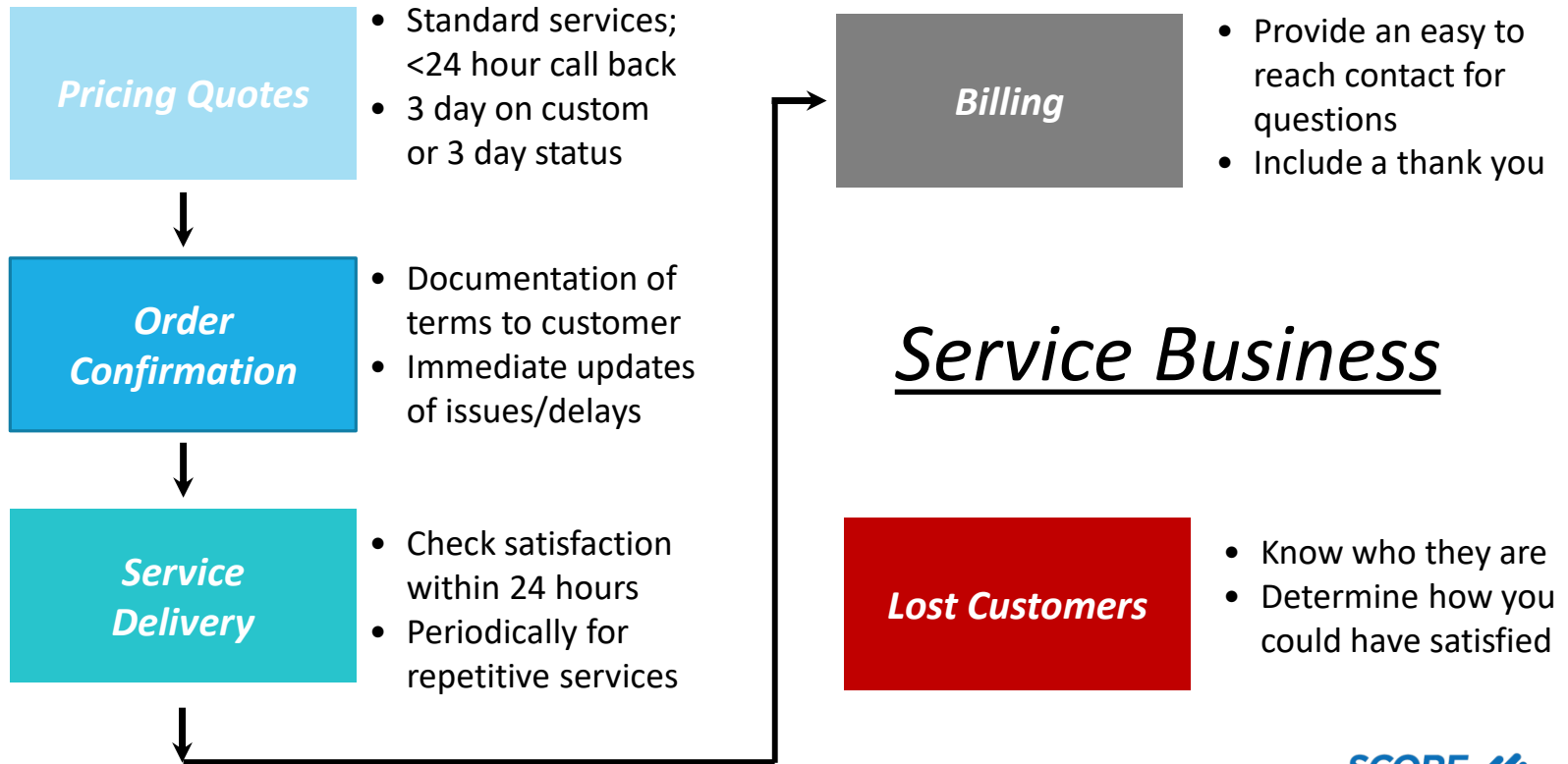


'STAND-OUT' EXAMPLE: 'HIGH TOUCH' COMMUNICATIONS



“Customers need feedback at key transaction points to retain their confidence.”

'STAND-OUT' EXAMPLE: 'HIGH TOUCH' COMMUNICATIONS



“Customers need feedback at key transaction points to retain their confidence.”

BUYER BEHAVIOR



- **UNDERSTANDING YOUR CUSTOMERS**
- **CUSTOMER CLASSIFICATIONS**
- **GOAL SETTING**





- Have differing needs
- Buy for different reasons
- Want value for their money
- A sense of trust expected

UNDERSTANDING YOUR CUSTOMERS



CUSTOMER CLASSIFICATIONS

A

Strongest revenue customers. Usually about 20% of customers but 80% of revenue. They deserve ongoing owner attention

B

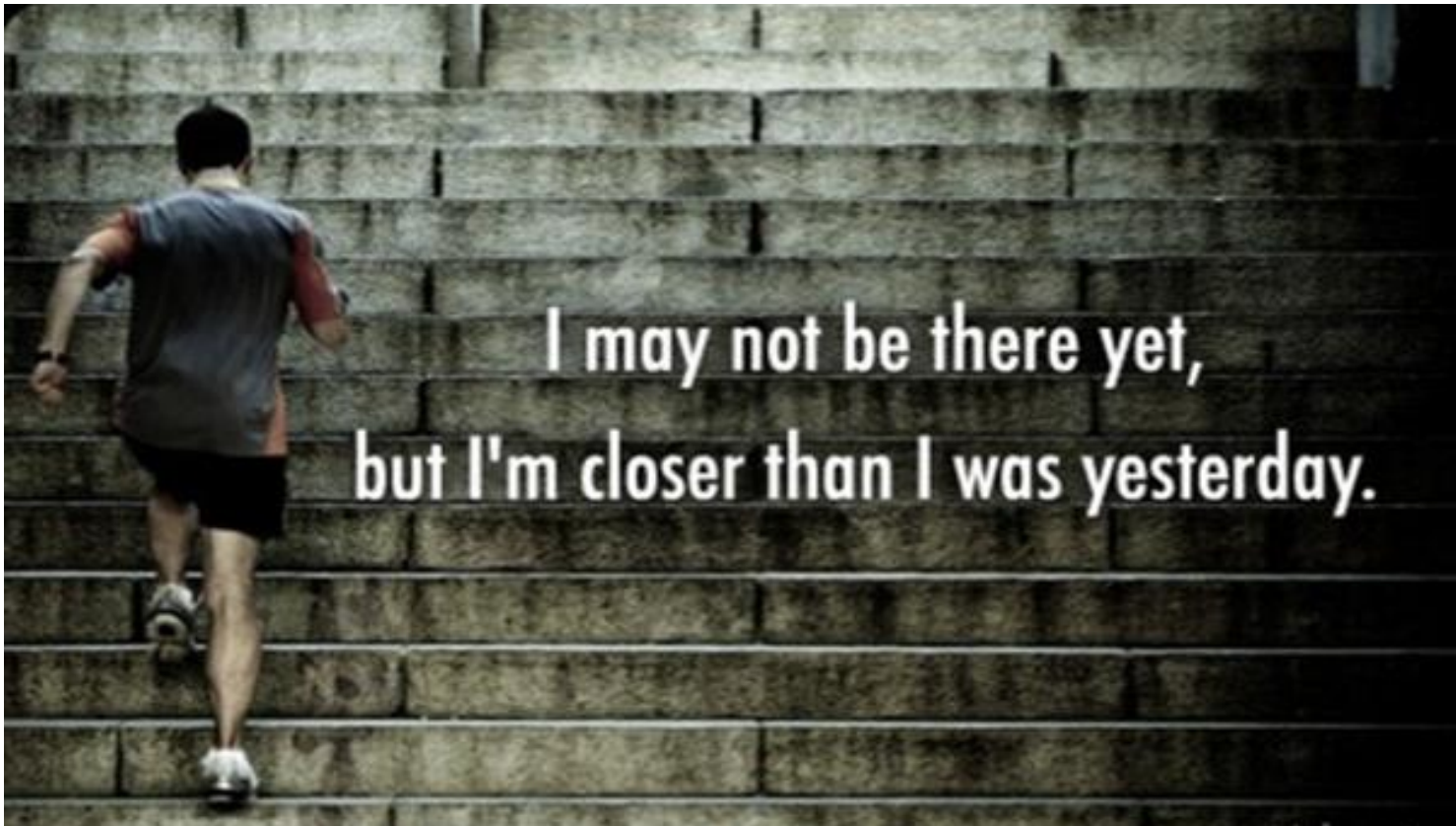
Largest number of customers

C

Weakest revenue customers. Move them up to B types or let them go



GOAL SETTING





Performance ImprovementBegins
with Better Defining the Destination

GOSPA

Goals

Objectives

Strategies

Plans

Activities

Performance Improvement



An aerial photograph of a sandy beach with several footprints leading away from the water's edge. The sand is light-colored and shows some darker patches and textures.

Goals

Increase revenue by 20%

An aerial photograph of a sandy beach with several footprints. The sand is light-colored and the footprints are darker, showing a path leading away from the water. The background shows the ocean and a clear sky.

Goals

Objectives

Increase revenue by 20%

- 1) Develop customer retention program**
- 2) Sell 5 new AAA accounts**
- 3) Increase sales territory**



Goals

Objectives

Strategies

Increase revenue by 20%

- 1) Develop customer retention program
 - 2) Sell 5 new AAA accounts
 - 3) Increase sales territory
-
- 1) Institute long term contracts, hold price for two years; cash rebate
 - 2) Set up demos/open house for 24 AAA prospects.
 - 3) Add sales coverage to expanded territory



Goals

Objectives

Strategies

Plans

Increase revenue by 20%

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- 3) Increase sales territory

- 1) Institute long term contracts, hold price for two years; cash rebate
- 2) Set up demos/open house for 24 AAA prospects
- 3) Add sales coverage to expanded territory

- 1) **Develop a sales brochure that emphasizes the pluses of the program. Hold an Open House and invite customers to attend**
- 2) **Develop testimonials from existing customers and push them out with a direct marketing approach**
- 3) **Expand sales territory. Do a direct mail marketing campaign to all potential customers with testimonials and retention talking points on long term contracts and cash rebates**

Goals

Objectives

Strategies

Plans

Activities

Increase revenue by 20%

1) Develop customer retention program

2) Sell 5 new AAA accounts

3) Increase sales territory

1) Institute long term contracts, hold price for two years; cash rebate

2) Set up demos/open house for 24 AAA prospects

3) Add sales coverage to expanded territory

1) Develop a sales brochure that emphasizes the pluses of the program. Hold an Open house and invite customers to attend

2) Develop testimonials from existing customers and push them out with a direct marketing approach

3) Expand sales territory. Do a direct mail marketing campaign to all potential customers with testimonials and retention talking points on long term contracts and cash rebates

1) Have a customer retention program in place by March 1

2) Sell 2 new AAA accounts by 4/1 and the balance by 9/1. Achieve by making 8 new prospect calls per week

3) Sell 6 new accounts in new territory by April 1; 12 by September 1; and 20 by year end. Accomplish by making 8 new prospect calls per week.

Goals

Objectives

Strategies

Plans

Activities



*A Powerful Tool for
Performance Improvement*



Greater Aiken



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