



## HOW TO DIFFERENTIATE YOUR FIRM

by Sam M. Allred

One of the goals of developing and executing a written strategic marketing plan is to differentiate your firm from your competitors. You want prospective clients, employees and referral sources to see you in a favorable light and in a different way than they see your competitors. How do you design and accomplish this strategy? How do you go about creating a strategy to differentiate your firm?

Even though there are hundreds of things a firm might do to try to appear different, there are really only five primary ways to achieve differentiation. These five ways include:

- ❑ More
- ❑ Better
- ❑ Different
- ❑ Faster
- ❑ Cheaper

Think through all of the various things your firm might do to stand apart from your competition and they can be classified into one of these five areas. These five areas can become a key part of developing your written strategic marketing plan. A helpful exercise is to gather your team together and brainstorm each of these areas as you consider what you could do as a company to differentiate yourself from your competitors.

Here are some thoughts that will help guide your thinking and discussion on each of these five key areas.

### **More**

Think of the range of services you offer to each new client. Are their additional services that you have the skills to offer? Could you form strategic alliances that would provide your clients with a greater range of services? Review each of the services you are currently providing and ask, "Is there something more we can offer with each of these services that would benefit our clients?"

Years ago as our consulting group thought through this area, we realized that there were many things we could do to offer a more complete solution to our consulting clients. We immediately began to issue regular progress reports that would keep client management informed every step of the way during our software implementations. We developed detailed procedures that could be customized by our clients to accurately identify how they were to use their new system. We developed a network system review process that would help clients document their network system and identify the changes that were needed to create a more stable computing environment. We developed an annual accounting review that would give our clients a better comfort level that they were

properly using their new accounting software and that it would evolve with their needs over time.

Each of these additional service solutions became key marketing tools in convincing prospective clients that we could offer them a more complete software implementation than anyone else.

## **Better**

Ask the following questions: Are there things we could do to provide our clients with a better solution? Can we design our solutions to last longer? Can we provide our clients with better access to their information? Can we create reports that provide better information to management?

Years ago, our consulting group determined that our clients were most at risk with a new accounting system when the time had come for us to conclude our field work and move on to the next implementation. The first three months following our staff's departure from their office was a very critical time for them. Therefore, we implemented a process to allow us to monitor how the client was using their new software package during that period of time and we were ready if needed, to jump back in and help them if any problems occurred. Upon showing this process to prospective clients, they acknowledged that our approach was better and more thorough than that of our competitors.

Doing things better is usually accomplished by modifying processes and implementing procedures. It is through better processes and procedures that we are able to provide clients with a consistently better solution.

## **Different**

There is a fundamental principle to marketing and consulting that every partner and manager should know and understand. The principle is this . . . It is difficult to gain a competitive advantage over your competitors by doing the same things they do. Many will say, "let's simply do it better than our competitors." The problem with this thinking is that clients can't often see better. A huge amount of effort has to be expended in order for the client to acknowledge you are actually better. It is so much easier for clients to see that you do things differently than it is for them to see that you do them better, faster, etc. Look at each of the things you do to market and deliver services and ask, "How can we do these things differently?"

Two examples: Eight years ago, we made the decision to send out Thanksgiving cards rather than Christmas cards. This year our firm sent out around 3,700 cards that were hand addressed with a personalized hand written message inside. We still receive a lot of positive feedback from those receiving cards . . . feedback we didn't get when we were sending Christmas cards.

Five years ago, we decided to create a marketing binder to help us deliver our “message” to prospective clients. This binder approach greatly helped us show prospective clients the level of service they would be receiving from our firm as compared to our competitors.

Over the years, we have changed many of the ways we market and deliver services in order to help clients and prospective clients easily see the differences between us and our competitors.

### **Faster**

If I were exploring this method of differentiation, I would ask these questions: Is there a way to deliver to the client what they want in a time period that would exceed their expectations? Is there a way to transfer knowledge faster, transfer responsibility faster, help them achieve their goals faster? Again, it is usually in the area of processes and procedures that we are able to provide our clients with a faster solution to their problems and needs.

We have learned within our consulting group that the better we are at standardizing our services, the faster we become at delivering meaningful solutions to our clients.

### **Cheaper**

Being cheaper, by either lowering your billing rates or providing discounts of some kind is the simplest way to try and differentiate yourself from the competition. Can this process/method have results? Absolutely. Are they the kind of results you want? Probably not. Consider this, Studies have shown that all buyers have a certain set of reasons that determine what and from whom they buy. Price is regularly listed as the fifth or sixth most important reason that quality (A-Level) buyers make purchases. However, price is usually listed as the number one reason that non-quality (D-Level) buyers use to make a purchasing decision. Therefore, lowering prices can have a positive impact on attracting clients – but often the wrong kind of clients.

As you review the five methods of differentiation, this is the only method that is consistently negative. From a strategy standpoint, your marketing plan should allow you to find many different ways to differentiate your services without having to lower your prices to do so. With proper execution, your plan should have positive results and will likely cause your competitors to seek to differentiate themselves, often by choosing to lower their prices. I have seen this happen many different times.

I would encourage you to spend the time necessary to review how you currently market and deliver your services and seek to identify ways to differentiate your firm from your competition.