



Today's marketplace is no longer responsive to the strategies that worked in the past. There are just too many products, too many companies, and too much marketing noise. The key to connecting with customers [both internal and external] is through communication and nothing communicates the "truth" more definitively than behavior.

Al Rises

A Revealing Test.

In many of my workshops I conduct an interesting and revealing exercise. First I ask the participants if their products, services and company in general are better than the competition. Most answer with a resounding "YES!" "Great," I say. Next I divide the class into two groups and I ask group #1 to pretend that they will be meeting with an important customer the next day. I instruct them to write down exactly what they will tell this important customer about their organization. I ask group #2 to pretend that they are a major competitor and that they will be meeting with this same customer. As with group #1, I instruct them to list everything they will tell this customer about their organization. At the end of the 15-minute exercise I compare the two lists. Guess what? The lists are almost identical. Usually the order of priority is similar if not exactly the same. I then ask the blockbuster question. "So where's the differentiation?"

- We're #1.
- Our people make the difference.
- We are financially stable.
- We have a superior safety record.
- We are uniquely qualified.
- State of the art.
- Cutting edge.
- Technological superiority.
- Market leader.
- Customer oriented.
- Values driven.

These are all neat tag-lines and "nice words" but they do nothing to positively differentiate. In fact, they do just the opposite, they position you as just like the other guy's. Why?

Because that's the same thing he's saying. And when that happens the customer becomes confused and takes charge of the differentiation process. Know how she does that? Simple, she goes to the southwest corner of the spreadsheet and say's, "Okay, looks like both companies can do the job so let's get these boys in a price war and choose the lowest bidder."

It's marketing 101 folks...

"If You Ain't Different, You'd Better Be Cheap."

You see...

The more competing firms claim to be superior, the more they look the same!

But how do you outperform, that is differentiate yourself from competitors who are as capable as you and who market essentially the same products and services the same way as you to the same set of customers?

I'll answer that in a minute, but first let me say...

The answer is not found in technology. If anything, advances in technology have further distanced most businesses from their customers. Don't get me wrong; you gotta stay in the technology game just to stay even. However, if you're looking for an advantage, you must enter the final frontier.

The Final Frontier In Competitive Strategy.

Why do customers need you and your company? Almost every industry offers a huge range of options to savvy buyers. Most industries are so crowded that customer's can't tell one competitor from another. Their question becomes not "Who can do the work?" but "Who do I want to work with?" This can either be a problem or an opportunity. It all depends on what you do about it. So what can you do about it?

The answer lies in doing everything possible to make customers prefer to work with you. To accomplish this you absolutely must realize the old methods of differentiation no longer cut it. Quality products, great customer service, even competitive prices will not suffice.

To positively differentiate in today's environment and keep customers in the years to come, there must be a bonding chemistry between you and your customer.

What creates that chemistry is your behavior at **every** stage of interaction with the customer.

Behavioral differentiation has been defined as the final frontier in competitive strategy for good reason; the most successful organizations on planet earth understand and practice it. From initial customer contact to order fulfillment market leaders constantly seek improvement in the nine crucial domains of behavioral differentiation. Organizations that do not understand these domains will not be able to differentiate themselves in the hearts and minds of their customers and will be condemned to market purgatory, where products are essentially commodities and where the lowest price rules. We will explore the nine domains of behavioral differentiation in subsequent articles.

What Behavioral Differentiation Is And Is Not, Can And Cannot Do.

Behavioral differentiation is not a substitute for product quality, price competitiveness, or customer satisfaction. It's the difference when your customers are unable to tell you and your competitors apart on technical capability, product quality, price, and other traditional differentiators.

Behavioral Differentiation is unique, in that of all forms of differentiation, it is the most difficult to copy and the hardest to sustain. It requires the kind of leadership that is quite rare in today's business arena. It is dependent upon an uncommon commitment to customer service and other behaviors that are truly differentiating. It takes a significant amount of skill and will throughout a company's workforce to create more-than-occasional behavioral differentiation. A lot of companies talk a good game, but in the end only a few have been able to grasp the fundamental insight about behavioral differentiation:

Whether or not you care about the customer, how much you care, or don't care, shows. Make no doubt about it, in the customer's mind you are how you behave.

Where Similarities Abound, the Differences are Crucial.

Since most businesses have products and services labeled commodities, in the hearts and minds of buyers, behavior has the realistic potential to become a powerful differentiator. This is true because it is simultaneously immediate, personal, real, and emblematic. It is real because customers experience it in real time, unlike your guarantees and claims, which are promises of future benefits and are therefore "unreal" at the time they are made. The bottom line is...

You are on stage all the time with your customers. Like it or not, you are **always either showing them that there is no difference between you and your competitors or you are behaving in ways that positively or negatively differentiate you from other companies that want their business.**

According to experts like Alvin Toffler, the business landscape will continue to accelerate in competitiveness. The stakes will continue to get higher. The race will not be won by the swiftest or the strongest. It will be won by the smartest, and being smart in business means...

Knowing how your behavior across the spectrum of your people and in every interaction with your customers can differentiate you from your competitors and help you capture more market share.

The Good Personal News About Behavioral Differentiation.

The ultimate intent of these articles is to educate and inspire the entire organization to embrace and take action on Behavioral Differentiation. Maybe that will happen, maybe it won't. The good news is that it doesn't have to happen throughout the organization for it to prove beneficial to anyone who puts it into practice. Since Behavioral Differentiation doesn't require a budget, permission, or the usual "sign off's" by higher authority it simply becomes a matter of personal choice. So, if you choose to put these concepts into practice, you will differentiate yourself from a positive perspective and ultimately cause the doors of opportunity to swing open.

If you are a manager I suggest that you consider looking for ways to implement Behavioral Differentiation both internally and externally. Your pay-off will be substantial in that you will clearly distinguish yourself from the other managers who choose to continue doing things the same way hoping for things to improve.

Executive managers are encouraged to consider what the truly behaviorally differentiated organizations are accomplishing from a financial perspective. Since the language of management is profit, I'm sure that when you grasp the bottom line implications of this formerly nebulous concept you'll be intrigued.

The Bad News About Behavioral Differentiation.

If behavioral differentiation is so potent why doesn't everybody get on with it? Good question, and I think I know the answer. Behavioral Differentiation, i.e.; the human side of the enterprise is considerably more complicated and difficult to manage than the hardware, which in my opinion is why so many otherwise-good companies are unaware of the impact of their behavior on their business or seem incapable of leading employees to raise their behavioral bar, so to speak. That's a shame because...

The greatest leverage can be gained on the "soft side" of the business, i.e.:

Who gets hired and where they are assigned, what expectations are set, how they will be trained, how they are rewarded and motivated, what responsibilities they are given, how they are taught to interact with the customer.

It's the companies that focus their attention on the so-called "soft skills" that achieve discernable Behavioral Differentiation. These are the same companies that realize...

The behavior of their people is their best source of competitive advantage.

And...

The ultimate competitive advantage lies in an organization's ability to learn and to rapidly transform that learning into action.

Again, the bad news about BD is that it's complicated and difficult. To really attain it you have to manage your customer's experiences from start to finish. You have to think about what they are experiencing at every touch point and then design interactions that surpass what they experience when they interact with your competitors.

Computers and spread sheets don't talk back, customers, both internal and external do. The external variety vote with their dollars. The internal variety vote with their level of commitment and effort, i.e.; their discretionary effort.

Complicated and difficult, those words aren't appealing to the seekers of "magic bullets." And rest assured BD ain't one! BD relies on an organizations willingness to seek and gain discretionary effort from all persons involved directly and indirectly in customer satisfaction. The more people that get on board, the better opportunity you have to actually create BD.

It takes skill and will to create and sustain BD. Both are important, but without the will, the skill won't matter. So although training and education are crucial, simply training

people to behave well won't make a lasting difference in how they treat customers.

Behavioral Differentiation does not happen serendipitously. It must be led.

It won't happen if leaders pay only lip service to it, and it won't happen if leaders don't walk the talk themselves.

The glaring reality is that you cannot avoid giving behavioral impressions to your customers. You are always signifying by your behavior that you are either distinctly better than your competitors, or no different from your competitors, or distinctly worse than your competitors. Organizational leadership must grasp and take definitive action on this glaring statement of the obvious.

A Summary of Behavioral Differentiation

If your products and services are similar to those of your competitors and you charge about the same amount, then superior behavior can become a powerful differentiator. In mature industries and markets, the competing products and services tend to be quite similar, and the prices being charged are usually close to the mean. Any imbalances in the function or quality of competing products tend to be eliminated quickly, and differences in price tend to evaporate as competitors learn what their rivals are charging and adjust their prices accordingly. Consequently, behavior is playing an ever increasing role in how customers make decisions. When they can get essentially the same products and services at essentially the same prices, then they will choose to work with the suppliers whose behavior toward them is most positive.

You should care about BD because it is an aspect of your business and yourself that you can manage. It's a choice and you can choose to behave in ways that enable you to build a competitive advantage.

You should care about BD because if your competitors are out behaving you, then you are losing business, or promotions, or salary increases, etc. that you should not be losing!

You should care about it because it is an excellent source of sustainable advantage and because it can help you build greater customer loyalty and market share. In this era of hyper competitive markets and increasing competition, Behavioral Differentiation may be your best opportunity to win more business.

The Next Addition.

In this, the first installment, I have attempted to define and make a case for Behavioral Differentiation. We could classify this addition as the "WHAT" addition. The next addition could be classified as the "HOW" addition.

In the next addition our primary focus will be on the four types of Behavioral Differentiation and some actions we can take to improve in these areas.

From Me to You



If you have questions or comments regarding this article please let me hear from you. You can reach me by email: peopleworks@aol.com or by leaving a message on my voice mail 804-379-7939

Thank You, I look forward to hearing from you.

Best Regards,

Bob Flynn

We Offer Consulting Services In Behavioral Differentiation And These Courses

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