



# 3 STEPS TO BUILD YOUR COMPETITIVE ADVANTAGE

## **Build Your Competitive Advantages in 3 Steps:**

We created this whitepaper to break down what a competitive advantage really is and the steps for your planning team to identify yours.

### **This download includes:**

- An overview of Competitive Advantages
- A video on Competitive Advantages
- Worksheets and diagrams to identify your competitive advantages.

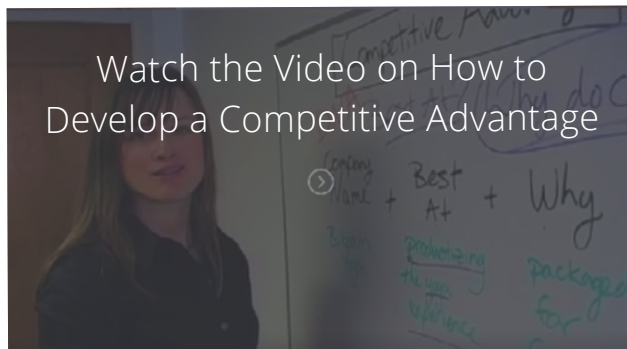
# SO, WHAT IS A COMPETITIVE ADVANTAGE?

A competitive advantage is a characteristic(s) of an organization that allows it to meet their customer's need(s) better than their competition can. It answers the question "What are we best at in our market?"

A complete set of competitive advantages looks like a list of 2-3 unique strengths that are valued by an organization's customer.

## TWO TRAITS OF COMPETITIVE ADVANTAGES

1. **Competitive Advantages are organizational strengths unique to your organization.** These are the strengths that set you apart from your competition. It's what you do well and is distinctly unique in your market.
2. **Competitive Advantages are traits or strengths important to your clients.** If the strength you've identified is important to you but not important to your client, it's not a competitive advantage. A competitive advantage is a strength or reason your clients choose you over your competition. It must have value to your customer!

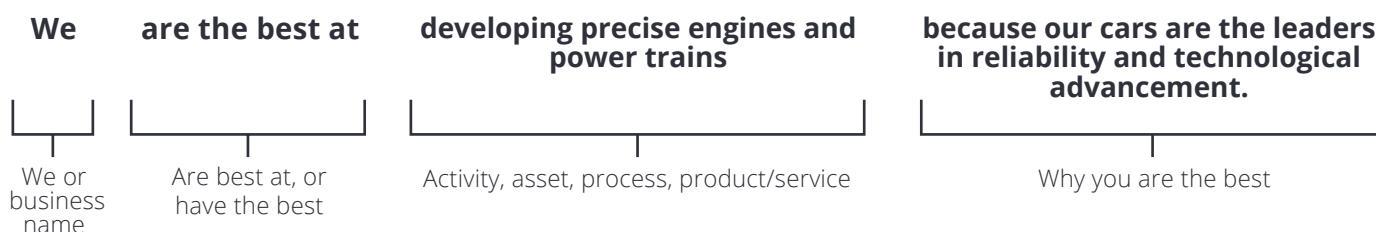


## COMPETITIVE ADVANTAGE VS. TABLESTAKE

We see this one common mistake again and again in identifying competitive advantages – a competitive advantage is not a strength you have because your competition also has it. Those strengths, while important to keep you competitive in your market, are often referred to as tablestakes. Essentially, they are the required strengths to keep your organization at the table in the marketplace.

## ANATOMY OF A COMPETITIVE ADVANTAGE

**Honda:** We are the best at developing precise engines and power trains because our cars are the leaders in reliability and technological advancement.



# MAP YOUR COMPETITIVE ADVANTAGES

As a follow-up to your SWOT exercise, we recommend completing this exercise to collaborate with your team to truly identify your competitive advantages.

Use these three steps and the process diagram to help your team clearly see where your competitive advantages lie.

## STEP 1: ASK YOUR PLANNING TEAM TO ANSWER THESE QUESTIONS

Use this worksheet to have each member of your planning team answer these four questions.

**What are our greatest strengths? List the top four.**

**What are our customer's top four wants and needs?**

**In your opinion, what are our top four competitors?**

**What do these competitors do better than us? List the top four.**

## **STEP 2: COME TO A CONSENSUS ON EACH QUESTION**

Use this worksheet to synthesize your planning team's responses.

**What are our greatest strengths? List the top four.**

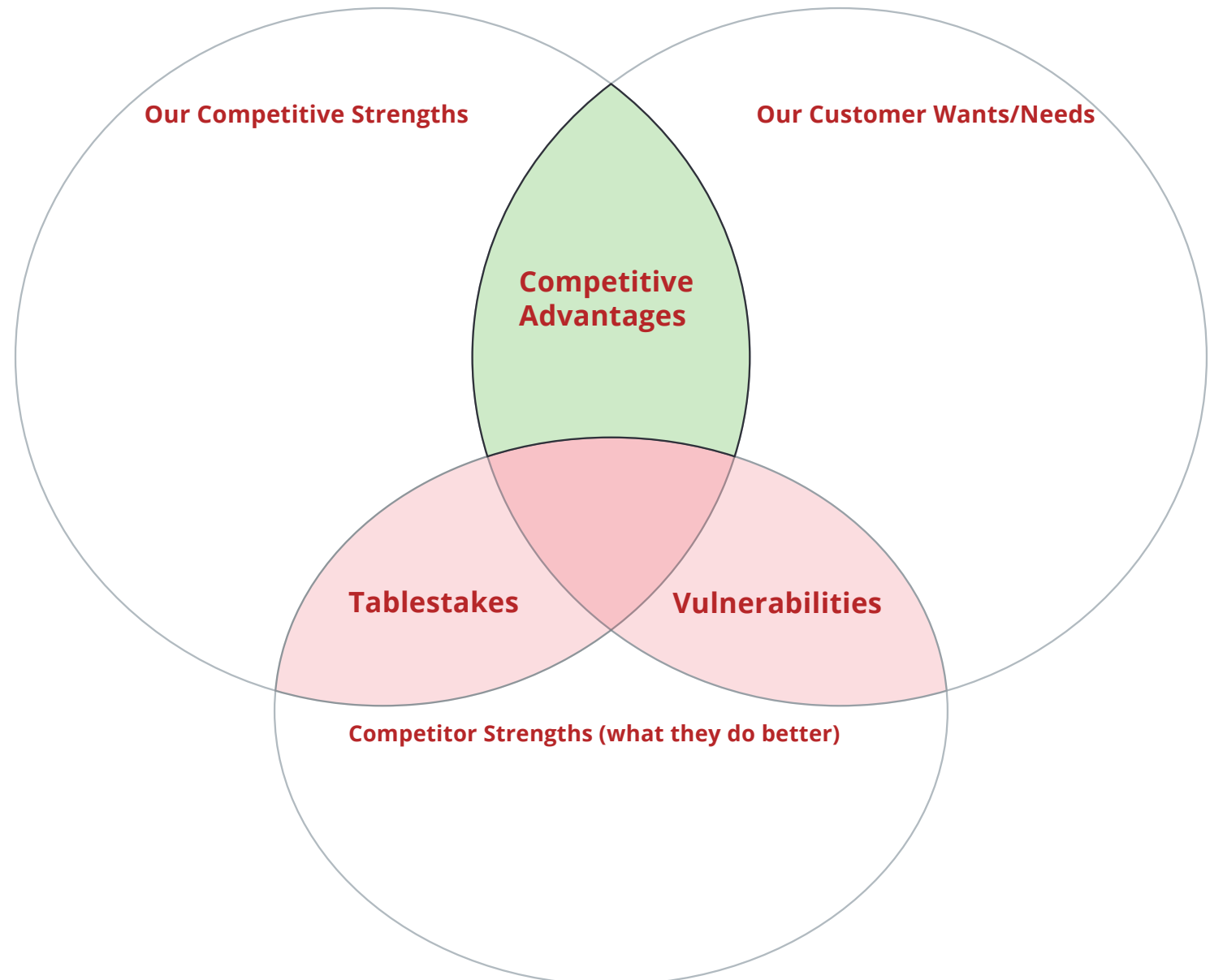
**What are our customer's top four wants and needs?**

**Who are our top four competitors?**

**What do these competitors do better than us? List the top four.**

**STEP 3: FILL OUT THIS CHART**

With your diagram complete, you will be able to clearly see the unique strengths and customer value your organization provides, strengths that are tablestakes in your market, and the value differentiator your top competition offers in your marketplace. With all of these characteristics and strengths outlined, you can use this as part of your plan's framework and to help you clearly identify where you play in your marketplace and how you will win against your competition.

**Our Top Competition****Competitive Advantages****Tablestakes****Vulnerabilities**

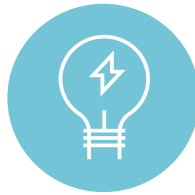
## Need more help? Tell us how we can help you:



### I have a strategic plan.

I have a strategic plan and I need a tool and process to manage its execution.

[LEARN MORE](#)



### I need a strategic plan

I don't have a strategic plan and need a tool to help me build or finish one.

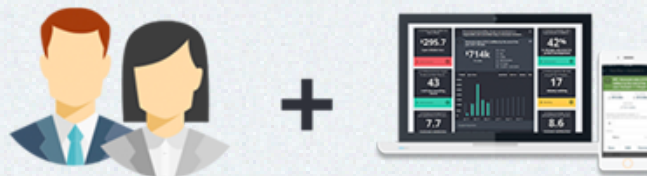
[LEARN MORE](#)



### I need a strategic plan

I need an expert consultant to facilitate the strategic planning process with my team.

[LEARN MORE](#)



## Expertise & Software to Achieve Your Organization's Vision

We're not just software developers. We're not just practitioners. We're partners dedicated to helping your organization see strategic success.

OnStrategy creates and sustains organizational focus by driving clarity, alignment and engagement. With services and software for strategy design, execution and ongoing management, we're helping people around the world focus on the things that matters most.

Whether you don't have a plan or need to finish one, we'll guide you through the planning and execution process.

[LEARN MORE](#)