

Competitive Advantage Worksheet

The **Competitive Advantage** is a condition or circumstance that puts a company in a favorable or superior business position.

The Competitive Advantage must:

- Differentiate the business from other players in the market
- Be integrated into the core operations of the business
- Include patented processes, products, highly skilled workers, and/or proprietary technology that generate economic returns for the company in the future
- Influence and guide individual behavior internal and external to the business now and in the future
- Include the type of goods and/or services that offers consumers greater value, either through lower prices or by providing greater benefits and service that justifies higher prices.

The Competitive Advantage always incorporates a 'Trade-Off.' Trade-Offs create the need for a choice and purposefully limit what a company offers. A simple example of the Competitive Advantage is the McDonalds menu:

- To give customers low-cost family food on a global basis, McDonald's has to standardize the menu and limit customer choice
- Trade-Off= price vs. quality

Formulating your Competitive Advantage

What is the customer's pain point?
What aspect of your solution can potential customers avoid or ignore?
Why aspects of your competitors' solution can customers avoid or ignore?
What is the main or dominant reason for my customer/ client buying from me or using my product?
What aspects of the dominant market solution can customers "cannot-not" avoid <i>(Note: Operating in the Negative Space is the best way to assess true customer/client intentions)?</i>
What can I do that matches or exceeds the features and functions of the dominant market solution?

What is the Competitive Advantage of the business?

Developing Your Unique Selling Proposition

What do I do, which no one else does? (My competitive advantage)
What is the profile of the customers/clients (Target Market) who best respond to my Competitive Advantage?
What do Target Market customers/clients want/ need?
What need or want are my Target Market Customers trying to have satisfied?
How does my Competitive Advantage help me solve the customer's pain points?
How can I leverage my Competitive Advantage to exceed my target customer/client expectations?
What is something you believe to be true about your target market that might not be true? Can you formula this into a theory that you can test? <i>(If you prove the theory false, start over).</i>

What is your Unique Selling Proposition?