

AND HOW TO AVOID THEM

*Listed in Order of Importance Based on an Impact Planning Group Client Survey

Mistake #1: Not Offering Enough Unique Value Compared to Competitors

Most businesspeople over-estimate the uniqueness of their offerings. They lack the objectivity needed to continuously improve and increase their competitive advantage.

How to Avoid: Gather feedback from potential customers regarding perceptions of your company and its competitors. This will highlight the most powerful strategies for becoming the obvious choice.

Mistake #2: Defining Your Target Market Too Broadly in Hopes of “Not Missing Any Opportunities”

Business owners often think that defining their target markets broadly will lead to maximizing sales. This actually waters down your offers and communication in a way that confuses customers when trying to compare you to competitors.

How to Avoid: Defining your target market narrowly and specifically leads to offers that customers find to be unique. The irony is that a clear proposition of value often attracts customers from outside your target market!

Mistake #3: Creating A “One-Size Fits All” Value Proposition

Your market analysis uncovered that one segment likes “hot tea.” Another segment likes “iced tea.” But then you create one offer – “lukewarm tea” that averages each segment’s needs. No one is happy!

How to Avoid: If you can’t alter the product for each segment, create different packaging. If you can’t alter the packaging, alter the service you provide for each segment. If you can’t alter the service, alter the guidance and information you provide to each segment. Alter the price point, the names of the offers, etc. You get the idea!

Mistake #4: Not Putting Enough Thought into Optimizing Your Price:

Most business owners price based on their costs plus markup or based on what the competitors are charging. This ignores the most important element of pricing – what value do customers ascribe to your offer?

How to Avoid: You must understand the perceptions customers have about your offer compared to their alternative options. An analysis of price-to-value perceptions of key competitors will allow you to optimize price – not too high, not too low!

Mistake #5: Not Addressing the Emotional Reasons Why Customers Buy Your Kind of Products

Most business plans highlight customer needs that need to be addressed in very functional, rational terms. This is a necessary-but-insufficient description of your market.

How to Avoid: Successful business plans uncover the emotional motivations customers in your market have – even business-to-business buyers! This will separate your business plan from those of competitors who only address one half of a buyer’s brain!

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Mistake #6: Lacking a Balanced Perspective Regarding Your Competitive Position

It's a mistake to fall overly in love with your current-state product or service! Business plans that don't present a balanced assessment of your own company's shortcomings will not address these weaknesses adequately.

How to Avoid: Business Plans that highlight the reality of your current company's strengths and weaknesses demonstrate maturity – and point out specifically what you need to address to get to the next level!

Mistake #7: Not Paying Enough Attention to Power Shifts in Your Industry

Most businesses think about their customers too narrowly. Many business plans don't address how to turnkey decision influencers into advocates.

How to Avoid: Consider customers broadly and invest resources in winning over those stakeholders who are gaining power in your industry. These are the stakeholders that competitors often miss!

Mistake #8: Not Clearly Defining the Parts of Your Market That You Are Going to Ignore

The correlation between the volume of your strategic initiatives and business growth is not what you think! Similar to Mistake #3, trying to be all things to all people is a recipe for disaster.

How to Avoid: Defining your "not-do's" – e.g., market segments you will ignore, business battles you will concede to competitors in order to fight where you can win, etc. – is the hallmark of sound strategic thinking!

Mistake #9: Completely Missing a Key Indirect Competitor in Your Industry

Plans typically highlight only the "apples-to-apples" direct competitors of a company. This can leave a business vulnerable to emerging indirect competitors that use new technologies and methods in disrupting entire industries.

How to Avoid: Brainstorm how new technologies could change the way business is done in your industry. If the approach is likely, highlight how you will still provide unique value – or incorporate the new technologies or approaches first!

Mistake #10: Positioning Your Product in a Space Already "Owned" By A Competitor

When boiling down the essence of their offer into a word or phrase they want to "own", many business owners fight an uphill battle. If a competitor already owns the "mind space" you want in customer's brains, you have to look further.

How to Avoid: Search for alternate positioning words or phrases that are not already owned by competitors but that still reflect your company's unique value. It's not easy, but the effort will multiply the effectiveness of your communication strategies many times over.