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# UHY Haines Norton Senior Management Resource

## Fine Tuning your Business Model By Using your Sustainable Competitive Advantage



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# 4 Steps To Building a Sustainable Business Model

- Developing your Sustainable Competitive Advantage
- Profit Formula
- Key Processes
- Key Resources



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# ‘Developing your Sustainable Competitive Advantage (SCA)’



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# Competitive Advantage

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1. What is your competitive advantage in your market place at present?
2. How well are you communicating it to the market and driving your business around it?
3. The benefits in having a clear, Sustainable Competitive Advantage (SCA) are similar to that of having a clear vision:
  - Quicker decision making.
  - Better Time Management.
  - Keeps you focused on customers.
4. It's difficult to achieve a perfect SCA the first time you do the exercise and it should be refined annually. A great SCA can last many years.
5. Today you will learn how to create / fine tune your Competitive Advantage and how to put it to use in prioritizing the 100's of issues in your organization



# Where does SCA fit?

Strategic  
Planning  
Model



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# Customer Value Proposition

- Value to Customer
- Offering to Solve a Problem
- Target Customer – who are they?



# SUSTAINABLE COMPETITIVE ADVANTAGE (SCA)

Key Success Factor (A)	Value to Customer (B)	Current Ability to beat Competitor (C)	Internal Impact (D)	Total (E)
SERVICE	7			
INNOVATION	5			
PRICE	6			
PRODUCT RANGE	7			
QUALITY	7			
MANAGEMENT	3			
<b>RESPONSE TIME</b>	9	7	9	18
<b>BEST PEOPLE</b>	9	6	7	16
BRAND NAME	6			
<b>RATE OF CHANGE</b>	8	6	5	13

*Note: For your scoring add Column B and D together for your total score as your ability to beat competitors in Column C does not impact on what should be your competitive advantage. It does however need to have its score lifted as part of your strategy.*



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# SCA

## Our Statement

- We will win by .....



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## Our SCA

- We will win by having the strongest relationship with our clients through great customer communication and remarkable customer service



# Exercise: Develop your SCA

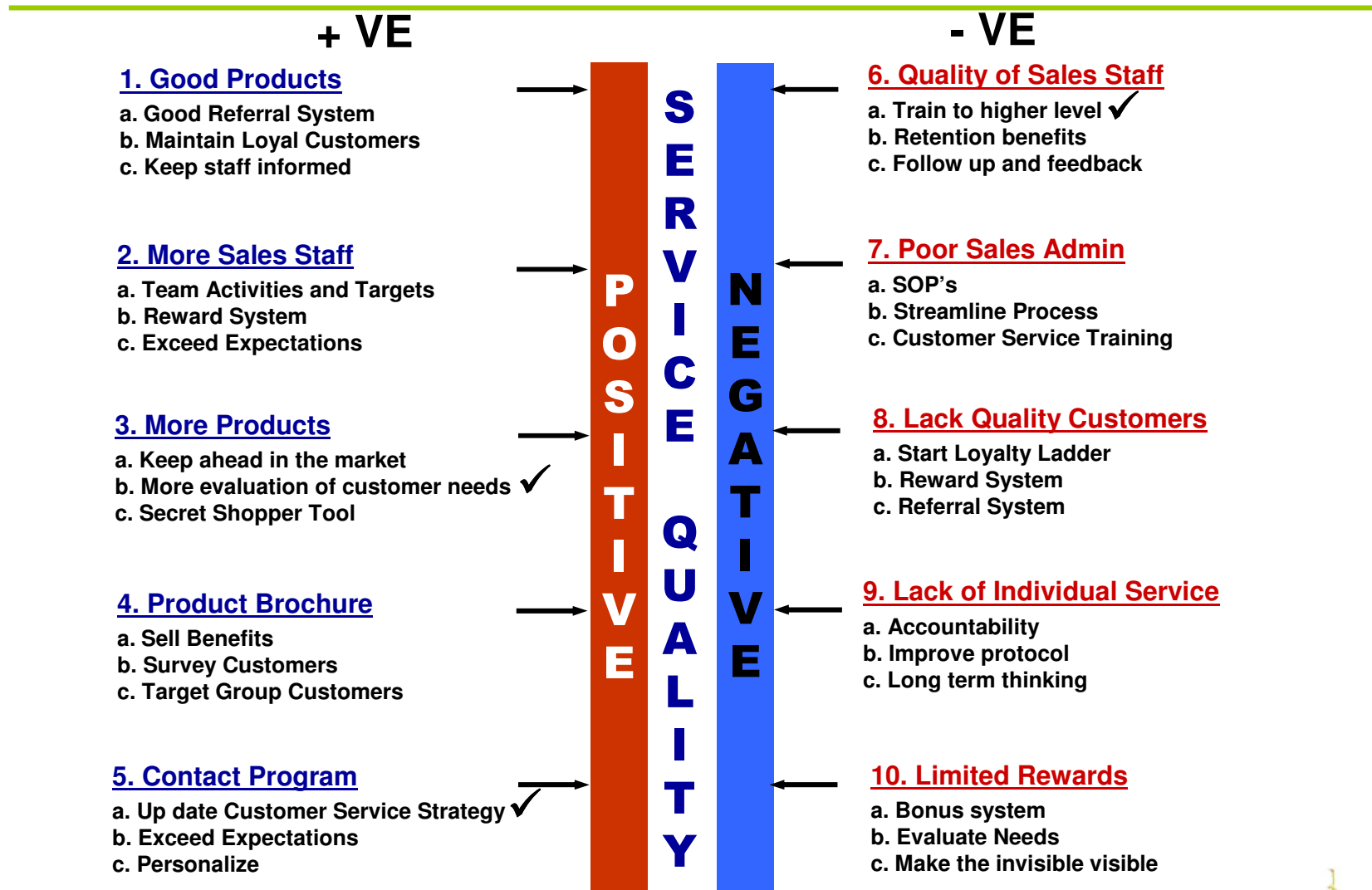
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## Exercise

- Spend 15-20 minutes developing your organizations SCA *(or it could be an SCA for a division or product line)*
- Develop 3 Action Plans to support your SCA



# FORCE FIELD



**1. Good Products**

- a. Good Referral System
- b. Maintain Loyal Customers
- c. Keep staff informed

**2. More Sales Staff**

- a. Team Activities and Targets
- b. Reward System
- c. Exceed Expectations

**3. More Products**

- a. Keep ahead in the market
- b. More evaluation of customer needs ✓
- c. Secret Shopper Tool

**4. Product Brochure**

- a. Sell Benefits
- b. Survey Customers
- c. Target Group Customers

**5. Contact Program**

- a. Up date Customer Service Strategy ✓
- b. Exceed Expectations
- c. Personalize

**6. Quality of Sales Staff**

- a. Train to higher level ✓
- b. Retention benefits
- c. Follow up and feedback

**7. Poor Sales Admin**

- a. SOP's
- b. Streamline Process
- c. Customer Service Training

**8. Lack Quality Customers**

- a. Start Loyalty Ladder
- b. Reward System
- c. Referral System

**9. Lack of Individual Service**

- a. Accountability
- b. Improve protocol
- c. Long term thinking

**10. Limited Rewards**

- a. Bonus system
- b. Evaluate Needs
- c. Make the invisible visible

**3 Key actions to address key issue**

1. More evaluation of customer needs
2. Update Customer service strategy
3. Train sales staff to higher level



# ONE PAGE PLAN

NOW	<b>SMITH &amp; JONES SALES PLAN</b> Date Revised: 21 October 2006		WHERE	
<ul style="list-style-type: none"> <li>• Sales \$1 million</li> <li>• No sales person</li> <li>• Order taking culture</li> <li>• Average sales \$10k</li> </ul>			<ul style="list-style-type: none"> <li>• Sales \$3 million</li> <li>• One full time sales person</li> <li>• Sales Culture</li> <li>• Average Sales \$25k</li> </ul>	
STRATEGIES	ACTION PLANS		TIMING - Who & When By	
SALES TRAINING	1. Purchase SAN for each employee 2. 4 day SPIN course for staff		1. MP 2. JS	Immediate November
KEY ACCOUNT	3. 1 Page Plan top 20% clients 4. Alliances Plan		1. JS 2. JS	October October
COMPETITORS	5. Target exposed Clients 6. Regional selling events		1. BM 2. JS	January November
BROCHURES	7. Produce benefits/problems brochure all Products 8. Coaching website		1. JS 2. JS	January March



- Nothing happens unless you do it.
- There is support available.
- A failure to plan is a plan for failure.



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# Summary

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1. Having a clear SCA is critical to the success of your business
2. Many business leaders allow operations to drive the direction for an organization. Using your SCA you will find you are focused on a direction that is more strategic and customer focused thus leading to greater growth and profit.
3. Revisit your sustainable competitive advantage at least once every 12 months. It is difficult to get it perfect the first time so keep re-testing.
4. To cut through internal politics and get focused in your time management use the issue ranking tool (linked to your SCA) to filter out the non-strategic issues you are working on.



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## ‘How to prioritize the 100’s of issues in your organization’



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# Issue Ranking

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- Once you have your SCA in place it makes a key role in the prioritization of issues within your business
- Using two factors of 'Opportunity for Improvement' and 'Ability to support your SCA' in a scoring matrix you can quickly use the following process to determine which issues are the most strategic and priorities to work on.
- A great way cut through politics re: what to work on first in your business

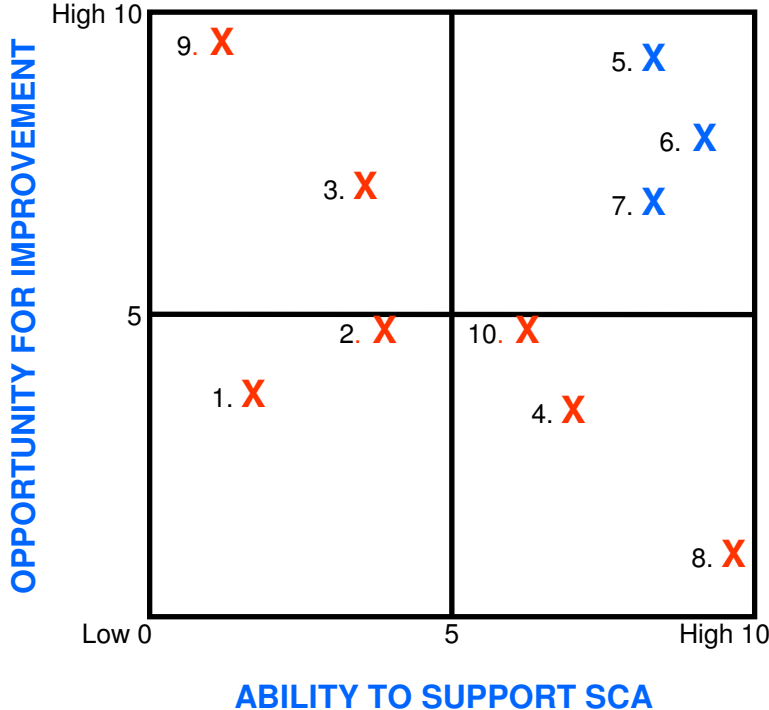


# ISSUE RANKING

ISSUE	Opportunity for Improvement	Ability to Support the SCA	Total Score	Comments
1. Quality	4	2	6	
2. Motivation	4.5	4	8.5	
3. Budgets	7	3.5	10.5	
4. Debt Reduction	4	7	11	
5. Customer Contact	9	8	17	
6. Cash Flow Management	8	9	17	
7. Resources for Innovation	7	8	15	
8. Housekeeping	1	9.5	10.5	
9. Production Planning	9.5	1	10.5	
10. Promotion Strategy	4.5	6	10.5	



# ISSUE RANKING



Top three issues and their action Plans	
1.	
2.	
3.	



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# Exercise: Issue Ranking

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## Exercise

- Spend 15-20 minutes listing your top 10 issues and then rank them using your SCA as the filter *(we shall put up the previous slide again to allow you to see the process again)*



# Where does SCA fit?

Strategic  
Planning  
Model



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## Thank you



**See you at the next Training Day on: 23 April 2009**

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