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GET A COMPETITIVE EDGE

By Jan Norman

Quick! Name three specific ways that your products or services are different and better than all your competitors.

If you can't identify your competitive advantage quickly and simply, you could be losing customers and sales.

Competitive advantage is offering what other businesses don't. It's identifying a niche and delivering what those customer want. It's conveying your advantages to customers so they choose to do business with you over all others.

Here are some steps you can take to find and flaunt your competitive edge. Plus, you'll see some real-world examples from your fellow NASE Members.

DEFINE YOUR COMPETITIVE ADVANTAGE

You can't describe your competitive advantages until you know who your competitors are and what they offer.

Your competitors are all entities and activities that vie for customers' attention and dollars. If you sell specialty ice tea, for example, your competitors are not only all other businesses that sell tea, but also other types of beverages. Your competitors are also those who try to persuade customers to buy ice cream or a CD instead of something to drink.

When you study your competitors, look for holes in what they offer. If you're a printer, and no other printer takes small jobs or prints on napkins and tablecloths,

that's a potential opportunity to differentiate yourself in the marketplace.

The second half of crafting your competitive advantage is to know your customers. A difference that customers don't value enough to pay for isn't worth pursuing. If you own a delicatessen, and no other sandwich shop is open 24 hours a day, it still might not be profitable to stay open around the clock if customers don't come in between 11 p.m. and 7 a.m.

"Make sure you have total knowledge of your business environment [so that] what you are doing fits into a market need," advises Betty Otte, a member of SCORE, which offers free business counseling in person and online at www.score.org. "Depending on the economy, certain factors are always more prominent than others. Once you know the 'hot button' to press in your environment, build all marketing materials around that."

FIND A NICHE

Even if every single person on the planet can use your product or service, it's still advisable to target carefully defined market segments, Otte says.

"Go after a specific group of people [by] finding out what they are looking for: price, value, delivery convenience. Then offer that benefit first and foremost," she explains. "Stay away from features. No one cares."

The difference between a benefit and a feature is point of view. A vacuum



Sales consultant Michael Cannon, an NASE Member and owner of Silver Bullet Group, Inc., advises clients on how to achieve a competitive edge.



cleaner offers features like 10 amps and a micro-filter. But a new mother cares about the benefit those features deliver such as extra-clean carpets where her baby crawls.

Sales consultant Michael Cannon, an NASE Member and owner of Silver Bullet Group, Inc. in Walnut Creek, Calif., chooses to offer his sales planning services to companies that sell to other businesses, rather than to consumers. But he defines his niche even more narrowly.

“In one sense, I am a business-to-business management consultant,” Cannon says. “Then within that niche, I am a sales consultant, and within that I do strategic sales planning and within that I do sales messaging. I [make those distinctions] for differentiation.

“When I started this business three years ago, I asked where I fit within the sales training world,” he adds. “I’ve tried different things and then decided that buyer-centric sales messaging is my niche.”

Cannon helps a client answer three basic questions: Why should customers meet with this business? Why should customers change current practices to buy a different product or service? Why should customers buy from Cannon’s client instead of a competitor?

“The answer to that last question differentiates you,” Cannon says. “Many people don’t have a good answer to that question or aren’t articulating it well.”

NASE Member Paula Delaney, owner of Pet-ercise Pet Sitting Service in Westwood, Mass., targets busy pet owners who either travel frequently or are away from home most of the day.

“In an age when dual-income families are the norm ... more and more pets are not getting the attention they require,” Delaney explains. “Pet-ercise fills a remarkable work niche ... offering in-home care for pets while their owners are away. This is an invaluable service for travelers, vacationers and individuals that work long days, home-bound people and other pet owners with scheduling problems.”

IDENTIFY A SERVICE ADVANTAGE

Delaney goes beyond basic care to differentiate herself from other pet-care solutions, including forgetful neighbors and impersonal boarding facilities. First, as the business name Pet-ercise implies, she exercises the pets when she visits them.

NASE Member >
Paula Delaney, owner
of Pet-ercise Pet Sitting
Service, targets busy
pet owners.

Photo by Jason Wallengren Photography



Second, when the pet owners are away, Delaney takes in their mail and newspapers so their homes doesn't look vacant. That effort is not directly related to the pet, but is a valuable service addition that gives Delaney a competitive advantage.

For NASE Member Robert "Doc" Chapman, service comes before he even gets hired as a private investigator. He owns Advanced Investigations in Staunton, Va.

NASE Member Robert
"Doc" Chapman, a private
investigator and owner of
Advanced Investigations, is
glad to admit that his
closure rate is better than
one out of two.

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Photo by Jon Golden Photography

"I spend as much as two hours of nonbillable time with prospects [because] I want them to get comfortable with me," he says. "I do a lot of divorce work and child custody work, and I want them to trust me."

He answers all their questions and periodically during that first meeting he asks prospective clients how he's doing.

"Their immediate response is 'great' or 'you're hitting the nail on the head.' By the time I'm finished, even those who don't have the money [to hire him] are sold," he says. "My closure rate is better than one out of two."

NEVER SELL ON PRICE ALONE

Chapman frequently gets calls from people who only want to know his fee.

"I generally say that I don't quote price over the phone or that I want to talk first about their problem not my price," he says. "Depending on the tone of the caller,

I might say, 'Let me ask you first, how long is a piece of string?' or 'if you're shopping price, I'm the most expensive. Do you want to keep talking?' The whole point is to get people comfortable talking to me."

Delaney, on the other hand, does use price to differentiate herself in specific circumstances. But she doesn't promote her services as the lowest price in town. She offers two free visits to senior citizens. She also has a relationship with the Animal Rescue League and Greyhound Rescue League. Anyone who adopts an animal from either agency gets a 10-percent discount from Pet-ercise.



Photo by Martin Sundberg Photography

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"I take on the risk of saying that we will accomplish their objectives no matter how long it takes, and then I guarantee that," says Michael Cannon.

"It's a win-win situation for the pets, the rescue leagues and Pet-ercise," Delaney says. "Huge response equals profits."

Sales consultant Cannon uses a different pricing strategy. His prospects are usually more interested in results than price, so he gives them two to five different prices depending on the mix of services they buy. His price quotes are always based on the project to be completed, not on an hourly rate.

"I take on the risk of saying that we will accomplish their objectives no matter how long it takes, and then I guarantee that if we don't get it done, they get a 10-percent refund."

MARKET YOUR COMPETITIVE EDGE

Marketing is absolutely essential in conveying your competitive advantage to your customers. It doesn't matter how you differentiate yourself if the buyer doesn't know about it or its value.

But marketing doesn't have to be expensive. In fact, Cannon often gets paid for his marketing. He has developed an informative speech entitled "The Fastest Way to Increase Your Sales" and presents it several times a month at any business group whose members are likely clients for him. Some national conferences even pay him to speak to their members.

"The core of the speech is to educate, not to sell," he says. "Some of the people in the audience will do the work I suggest on their own. About 20 percent will contact me to further explore how we can work together."

When Delaney first started Pet-ercise, she made inexpensive fliers and distributed them around town. She also mails promotional postcards to new home buyers listed in her local newspaper's real estate transaction page. And she periodically writes press releases about trends in the pet care industry and sends them to the newspapers.

Each of these marketing efforts helps


Photo by Jason Wallengren Photography



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"Pet-ercise fills a remarkable work niche ... offering in-home care for pets while their owners are away," says Delaney.

the World's Greatest Mentors" (Mission Publishing, 2004), along with well-known business leaders Brian Tracy and Mark Victor Hansen.

The book, Cannon says, has opened up more speaking opportunities and also elevates him as an expert in prospects' minds.

"One way to differentiate yourself that is often overlooked is to let your customers sell for you," he adds. "I have many client testimonials on my Web site, www.silverbulletgroup.com. It helps answer for prospects why they should buy from me. Most people don't care what you say about yourself. They do care about the results I have generated for my clients. That sets me apart." 

set her apart from competitors and establish her brand in people's minds. If they don't need her services immediately, repeated reminders keep the company's name in their mind.

For micro-business owners, the most effective way to convey the message of competitive advantage is to network, says Otte of SCORE. "Be where your customers are. We do business with people we know and love. If they don't know the other guy, but they love you, guess who gets the business."

Delaney has used networking to set herself apart in the mind of the community. She is active in Business Network International, whose members share leads with each other, and Pet Sitters International, a worldwide trade group whose members share information and client referrals.

RISE ABOVE THE COMPETITION

The word of others is a great way for micro-businesses to set themselves apart and rise above the competition.

Delaney is featured in the book, "Off-The-Wall Marketing Ideas" (Adams Media, 1999). Cannon is included in the new book, "Create the Business Breakthrough You Want: Secrets and Strategies from

Jan Norman is the author of *What No One Ever Tells You About Marketing Your Own Business*. Contact her at jannormanbiz@earthlink.net.

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Photo by Jan Golden Photography

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