



Four critical questions every business needs to answer!

To be successful there are four critical questions every business owner needs to be able to answer:



What - are the problems we solve?

This is about looking at your business in terms of how you influence, improve or change your customer's world.

What needs do your customers have that you satisfy? What benefits will your customers enjoy when they engage with your business – buy your product or service?

Steve Jobs once stated – “Find a market and then create a product!” Unfortunately, far too many businesses do the reverse – they create a product or service and then look for a market – this is a recipe a recipe for disappointment and ultimately failure!

The first step is to clearly define the problems, needs, etc. that you solve. This is about understanding the business you are really in!

Who - is our target audience?

Having determined your “what” the next step is determine exactly who it is that has the problem or need? What are their characteristics and demographics? What is their world like? What are challenges they face on a daily basis – not just as it relates to your product or service, but in their life more broadly?

Critically it is important to know:

- What is important to your target audience?
- How do they think and behave?
- Where do they go to seek out information about your product or service?
- What information do they need to make an informed decision?
- Crucially, are there enough people or groups who have these needs to make your venture worthwhile?

The more you can understand the world of your customer – and clearly define your target audience, the higher the chances you will enjoy the success you are seeking!

Tip – If you can't answer these questions – then talk with your customers (potential customers) to understand what they truly value, how they think and behave! If nothing else, it will show that you care!

How - do you solve your customer's problems – meet their needs?

Although this may seem obvious, it is crucial to be able to clearly articulate how you actually go about solving your customer's problems or satisfying their needs.

Carefully examine everything you do to ensure that it actually satisfies the “What” and meets the needs of the “Who”!

Examine the “How” through the customer's eyes:

- Do you not only meet but, exceed, your customers expectations?
- Are your processes internally or externally (customer) focused?
- Are there elements of what you do that your customers simply do not need or value? Would a more simplified offer be more attractive to your customers?
- What is missing from your offer that could be added to provide better value or experience?
- Do your processes ensure the customer will understand how to get the most out of your product or service? (This is an investment worth making – for if a customer can get the most from your product/service – they are more likely to be satisfied and by extension, refer others!)

Why - will your customers deal with you and not your competition?

This is the question many business owners struggle to answer – yet it is one that so crucial! It is important to be able to clearly articulate your:

- Compelling purchasing benefits
- What makes you different from the competition
- Why customers should buy from you

It is important to also remember that a quality product and good service are not a point of differentiation – in a competitive marketplace - they are the customers right and minimum expectation!

Why is differentiation so important? Because where this does not exist – research consistently confirms - products and services become commoditized and when this happens – the focus invariably shifts to price!

Sustainable differentiation is unlikely to be found in your product or service. Even if you start out with a point of clear product/service differentiation, the competition will soon catch up!

More likely, sustainable differentiation will be found in your processes and how you deal with your customers:

- How you educate them before they buy
- The effort you make to truly understand their needs and world
- The type of sales conversations you have with them
- The way you ensure they can get the most out of your product or service
- How you support them post sale
- Crucially, what actions can to take to ensure every customer feels truly valued!

All these are may be reasons why a customer will buy from you and not the competition.

Summary

While at one level these four questions may seem relatively easy to answer, it is only by drilling a bit deeper that areas of opportunity can be discovered.

Whilst this exercise takes some work, it is worth the investment of time for the simple reason it will help you identify ways of differentiating yourself in the marketplace.

Why will you stand out - because so few businesses actually bother to do this work!

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