

COLLAPSE OF DISTINCTION

Stand Out and Move Up While Your Competition Fails

SCOTT McKAIN

SCOTT McKAIN is chairman of McKain Performance Group, Inc., a consulting company which specializes in corporate educational programs based around the concept of strategic differentiation. He is also vice chairman of Obsidian Enterprises (a holding company with over \$100 million in annual revenues) and principal of the Value Added Institute (a think tank focusing on client retention strategies). Mr. McKain is the author of *ALL Business Is Show Business* and *What Customers REALLY Want*. He is also a member of the Professional Speakers Hall of Fame and the Speakers Roundtable.

The Web site for this book is at www.CreateDistinction.com.

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MAIN IDEA

“Can your customers tell the difference between you and your competition?”

– Scott McKain

That’s a question that should keep you awake at night. Homogenization in the name of efficiency has been a theme of business for the past decade. Today, all kinds of products and services look and feel the same regardless of who provides them – and customers are revolting because of that.

Instead of standardized products, customers crave distinction. They want products that stand out for all the right reasons because they are delivered by companies which are fanatical about creating a great customer experience. And this is especially true when the economy is down. In fact, if you positively stand out, an economic downturn is the ideal time to be grabbing market share from your competitors. If you can create distinction for yourself, your products and for your company, you lift yourself above your competition and create the conditions which will allow you to charge more for your products and services.

“Over the past several years, we have seen the homogenization of practically everything. The car I drive probably looks a lot like yours, no matter the nameplate. The big store where I shop almost certainly appears and feels a lot like yours, no matter the logo on the door, no matter the community where it’s located. It looks, acts, feels the same – and it is causing a customer revolt! In a front-page article, the Wall Street Journal proclaimed, ‘The Wal-Mart era is drawing to a close’. In other words, we are at the initial stages where the ‘faster, cheaper, perfect’ generation of customers is now looking for something else – and something profoundly more difficult to deliver – from businesses. People are craving, even coveting, distinction! Being different, standing out, getting noticed in a sea of sameness is vital to an organization’s sustained growth and profitability. Now is the time to stand out. And, when you do, when you highlight your business and yourself, you will grab market share from your competitors.”

– Scott McKain

1. How we got to where we are Page 2

It’s very difficult to effectively differentiate yourself in today’s markets because:

- It’s easy for others to incrementally improve on your offerings.
- Lots of new companies are entering your marketplace.
- Customers are apt to take you for granted.

As a result of these challenges, corporations are finding it harder and harder to stand out in the marketplace, retain their existing customers and attract new customers.

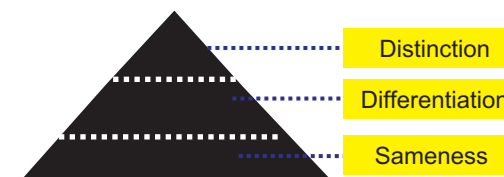


2. What won’t work in today’s world Page 3

To lift yourself out of the “sameness” level and create differentiation, you’re probably tempted to try three strategies:

- To build a better product than anyone else.
- To be the lowest cost provider.
- To treat your customers better with great service.

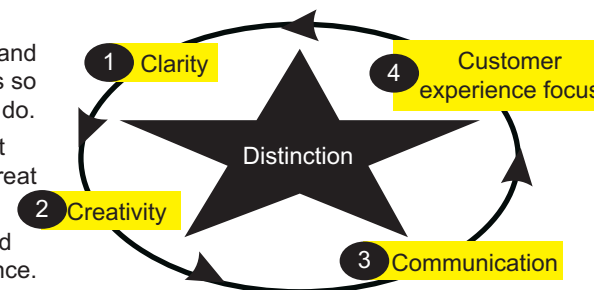
In the real world, service is the only strategy that works. To have a “better” product is too subjective to be helpful. To have the lowest prices is always temporary. Your primary point of differentiation must be service – and if you can treat your customers uniquely, not only will you create differentiation for your firm but you can also reach the level of distinction.



3. What does work Pages 4 - 8

The four cornerstones of distinction are:

1. *Clarity* – let customers know who you are and what you stand for in dazzling brilliance. Instead of trying to be “all things to all people”, have a concept which makes you distinctive and unique in the marketplace.
2. *Creativity* – positively exploit what you’re good at in new and original ways. There is no single “right way” to do business so develop offerings that take full advantage of what you can do.
3. *Communication* – tell stories that illustrate graphically what your organization does better than anyone else. Become great at letting customers know your compelling story line.
4. *Customer experience focus* – organize your company around the singular goal of delivering a superb customer experience. Ordinary organizations view serving the customer as a necessary evil – something that must be done to generate some revenue. Distinctive companies reverse that dynamic. They engage their customers through the use of personalization and emotion. If you aspire to be distinctive, deliver “the ultimate customer experience”. It’s the right thing to do.



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