

# HOW TO DRIVE YOUR COMPETITION CRAZY

Creating Disruption for Fun and Profit

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## MAIN IDEA

In its purest form, the concept of “driving your competition crazy” means to disrupt a marketplace in order to create new advantages for yourself and in the process diminish the existing competitive advantages of all other competitors.

By using clear thinking, shrewdness, street smarts, bold moves and hard work, you can delight your customers and increase sales and profits. This will be very frustrating for your competitors who would like nothing more than to see you fail.

Driving your competitors crazy is a combination of the maxim: *“It’s not how you play the game, but whether you win or lose”* and the concept: *“The best defense in business is a good offense”*. It also involves maintaining your perspective. You can tell when you are operating at maximum efficiency when you play the game of business as intensely as if everything depends on the outcome, but at any time you can walk away and act as if nothing actually depends on the results.

## 1. LAY THE GROUNDWORK

To start towards being able to drive your competitors crazy, you must:

1. Have a clear and accurate understanding of your company, your product and the competitive field within which you operate.
2. Understand your customers and their needs.
3. Understand your competitors and what motivates them.

## 2. DO THE RIGHT THINGS

The key to driving your competition crazy is to make the correct strategic decisions.

Ultimately, the best way to drive your competition crazy is to create a large number of happy customers for your product or service.

The fundamentals of creating happy customers are:

1. Take such good care of your customers they have no choice but to do more business with you.
2. Focus exclusively on whatever matters most from the customer’s perspective rather than your own.
3. Turn your satisfied customers into your most enthusiastic sales weapon.
4. Do something worthwhile which adds value to society as a whole. Make a positive contribution.

## 3. DO THINGS RIGHT

Having made the necessary commitment to your customer, synergy is created by the way your business puts that commitment into action.

To bring everything together, you must:

1. Build and reinforce customer allegiance right from the start of their business dealings with you.
2. Magnify your competitors small defects until they becoming horrifically large in the eyes of your customers.
3. Work harder at forming strategic alliances with your competitors than destroying them.
4. Raise the barriers of entry into your competitive field so no new competitors are likely to blossom forth.

## 4. PUSH THE ENVELOPE

Once you have your competitors nervous, seize every possible opportunity to ram the advantage home through unconventional but creative business thinking.

Some daring and unexpected ideas include:

1. Take advantage of every opportunity to make your competitors nervous.
2. Refuse to be bound by some nebulous “rules of competition” which everyone else seems to think exists.
3. Work like a guerrilla fighter from inside your organization when your own company has become its own worst enemy.
4. Focus on consolidating and protecting your own markets before worrying about going after new markets.

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### Main Idea

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### Supporting Ideas

Before taking on the enemy, it's vital to first check you know your own company and your product or service.

You're ready to compete vigorously when you know the answers to the following questions:

1. What business is your company really in (as opposed to what product or service do you offer).
2. Where will your company be in 5-, 10- or 20-years time?
3. If a prospective customer doesn't buy from you, where and what do they buy?
4. What benefits does your product or service offer from the perspective of the customer?
5. What are the most important reasons your best customers buy from you?
6. Where are you positioned in the market? High-end, low-end or price leader?
7. Are customers using your product in unexpected ways? Are there opportunities there?
8. What is your personal management style? Contented, market leader, upstart or guerrilla?
9. Have you ever taken your 10 best customers to lunch and asked them why they buy from you?
10. Have you ever taken 10 prospective customers to lunch and asked them why they don't buy from you?

Once you've taken the time and effort to examine your business, you next need to get out and get to know your customers with the same degree of thoroughness and dedication.

You can feel satisfied you know your customers when you can answer the following:

1. Who is using your product or service?
2. Who makes the decision to buy your product or service for all companies who are clients or customers?
3. How are competing products within the same category being used by customers and clients?
4. What external developments - laws, regulations or changes in society - are influencing the market within which you sell?
5. What formal structures are in place within your company to allow customers to give their ideas on an ongoing basis.

You can tell when you know your customers well enough when your company starts to develop products which satisfy needs clients haven't even expressed yet. When you can do that consistently, as well as providing upgrades and enhancements to products they are already familiar with, you've passed the grade in terms of getting to know your customers.

The final piece of the puzzle in laying the groundwork consists in knowing your competitors.

Keep in mind the following points:

1. The most effective research about present and future competitors comes not from consultants or the marketing department but from the top. The most effective CEOs carry out their own competitive research.
2. The person who will use what they find out often catches nuances and subtleties that escape anyone without a vested interest.
3. The best competitive research is usually to visit your competitor's place of business in person and be alert to everything you see.
4. Never be afraid to adapt or shamelessly copy whatever competitors are doing if it is a good idea.

To study competitors, start with the big picture and then sharpen your focus. You know your competition when you can answer the following questions:

1. Who are the companies against whom you compete?
2. What are their goals and objectives?
3. Are your competitors market-, product- or service-driven?
4. Do competitors consider you to be competing against them? Are they aware of your company?
5. What are the strengths and weaknesses of each of your competitors?
6. What are their styles - contented, leaders, upstarts or guerrillas?
7. What channels of distribution do your competitors use to deliver their products or services?
8. How do your competitors position their products?
9. How do they create new products and services?
10. Where do your competitors manufacture their products?
11. What are their pricing terms, discount schemes, extended payment options and sales rebate policies?
12. How do your competitors handle after-sales service and customer complaints?
13. By what means do they try and generate customer feedback?
14. When was the last time you bought something from a competitor to see how well they perform?
15. Who are the key executives in the companies you compete against?
16. What are their educational and professional backgrounds?
17. What are their strengths and weaknesses? Are there any "hot buttons" that particularly motivate them?
18. How do your competitors generally react to changes within the industry? Are they slow to notice changes, or do they react quickly?
19. Do your competitors have a tall company hierarchy or a flat organizational structure?
20. How does information get distributed throughout your competitor's organizations?
21. What motivates your competitors? Gross sales, net profits, egos or technology advances?

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