



Competitive Advantages

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A guide and canvas to identify your sustainable competitive advantages.

In this guide, we will cover:

- [What are Sustainable Competitive Advantages?](#)
- [What Is and What Isn't a Competitive Advantage](#)
- [How to Identify Your Competitive Advantages](#)
- [How to Write Your Competitive Advantage Statement](#)
- [A Canvas to Identify Competitive Advantages](#)

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What are Sustainable Competitive Advantages?

Sustainable competitive advantages are a set of assets, characteristics, or capabilities that allow an organization to meet its customer needs better than its competition can. Sustainable competitive advantages are difficult to duplicate or replicate.

Sustainable competitive advantages answer the question, “What are we best at in our market?” The answer creates a set of 2-3 long-term, unique strengths that a customer values.

Your competitive advantage is what you, your company, or your department does better than anyone else. The sustainable part refers to your ability to continue doing those things long-term. And yes, you can have more than one advantage, and you can also develop advantages. However, you don’t have to possess them all now.

So, Why Do You Need to Identify Your Sustainable Competitive Advantages?

The short answer is this: knowing your competitive advantages helps you build a better, more thoughtful growth strategy. As part of our growth strategy series, understanding your competitive advantages helps answer the question, “How do you win?”.

You need to know what your organization is best at to help build a thoughtful growth strategy. Need help creating a growth strategy? [Check out our comprehensive guide and canvas here.](#)

Tip

Think of competitive advantages like your competitive moat. What are the strengths you have that help keep your organization protected from the threat of competition? Moats are hard to build and penetrate. Competitive advantages are too.

What Is and Isn't a Competitive Advantage?

2 Traits of Competitive Advantages



#1 They are unique to your organization.

Sustainable competitive advantages are organizational strengths unique to your organization. These are the strengths that set you apart from your competition. It's what you do well and is distinctly valuable in your market.



#2 They are valuable to your clients.

Competitive advantages are traits or strengths important to your clients. If the strength you've identified is essential to you but not crucial to your client, it's not a sustainable competitive advantage. A competitive advantage is a strength or reason your clients choose you over your competition. **It must have value to your customer!**

What Isn't a Competitive Advantage?

We see organizations incorrectly identify competitive advantages all the time. It happens, but here are a few quick ways to know if what you're looking at is truly an advantage.



They aren't just a list of your strengths.

Often starting with what something isn't is easiest. Your competitive advantage is not a list of your strengths. Strengths can become competitive advantages, but they are not just a list of all your strengths.



They can't be created easily.

Competitive advantages, by definition, are not easy to create or replicate. If they're easily created or copied, they might be growth opportunities instead. Sustainable competitive advantages are long(er) term in nature, meaning it takes time for a competitor to replicate it.



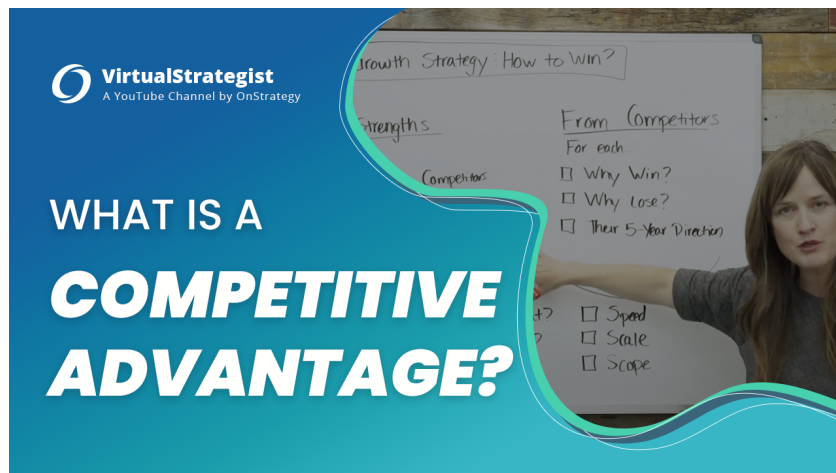
They are also not competitive advantages of your competitors.

Monthly reviews are purpose-built sessions to review the performance of your OKRs/goals and decide what are the critical actions you need address in the next 30 days.

30-Second Competitive Advantage Challenge

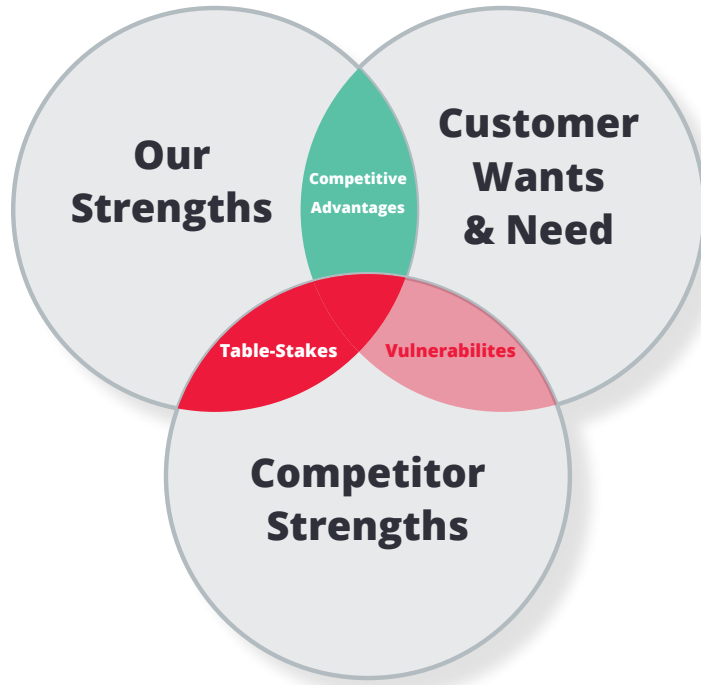
Here's the 30-second challenge to determine if you know your competitive advantage. Ready? Go. I meet you at one of the numerous local networking events, and you introduce yourself. "Hi, I'm Bob Jones with ABC Company." "Hi, Bob. Nice to meet you. Tell me a little about your company. What is your company best at?"

... 29, 30. Time's up! Could you answer this question in less than 30 seconds, succinctly with clarity? When you can, you know you've identified your competitive advantages



[Watch the Video](#)

How to Identify and Write Your Competitive Advantages



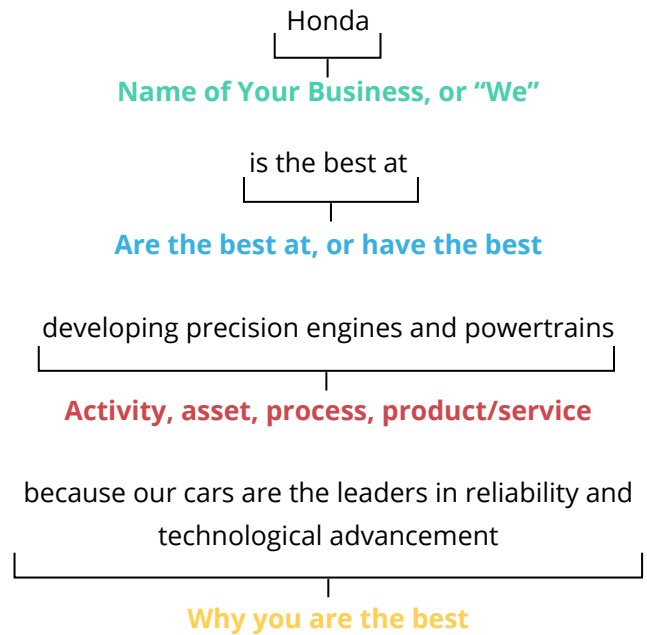
In the back of this guide, you can find a canvas to help you fill out the diagram above. You will:

- 1. Identify strengths.** From the strengths section in your SWOT, identify your most valuable strengths.
- 2. Identify customer wants/needs.** From your customer research or customer analysis, identify your customer's top wants and needs that you can solve.
- 3. Find the overlap.** From your list of customer strengths, find the overlap between strengths you possess that provide value or solve your customer needs.
- 4. Identify your competitive advantages, table-stakes, and vulnerabilities.** Table-stakes are strengths you and competitors possess to stay competitive in the market. Vulnerabilities are competitive advantages your competitors possess that you do not.

Formula for a Sustainable Competitive Advantage Statement

Let's go back to the fictitious networking event from the beginning. We said you need to answer the question "What is your company best at" within 30 seconds. The formula below helps answer that question clearly:

Honda is best at developing precision engines and power trains because our cars are the leaders in reliability and technological advancement.



Other Examples

Bikram Yoga is best at productizing the yoga experience and practice because it is packaged for franchising.

Google is best at optimizing searches for any type of information.

Competitive Advantage

Use the questions and diagram below to identify your sustainable competitive advantages, table-stakes, and organization vulnerabilities.

Org Name:

Date:

1 Our Strengths

What are our greatest strengths? List the top four.

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2 Customer Wants and Need

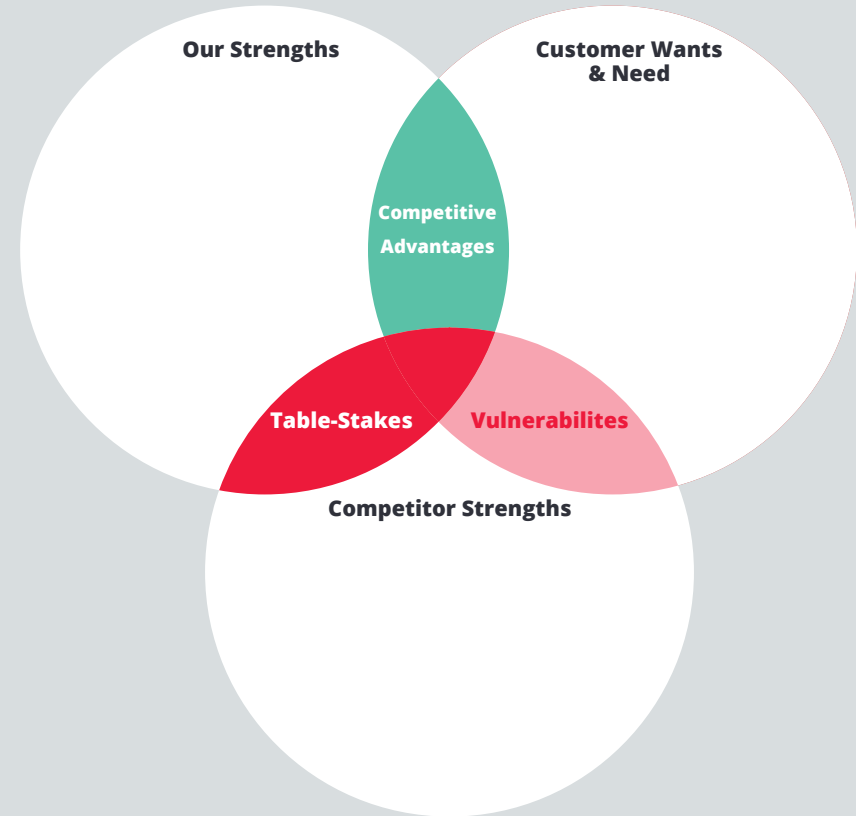
What are our customer's top four wants and needs?

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3 Competitors & Strengths

How are your top competitors. What 1-2 things do each do better than you?

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4 Identify Advantages, Tablestakes, and Vulnerabilities

Use the chart above.

Advantages

Table-Stakes

Vulnerabilities

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Need help identifying competitive advantages?
We can help!

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