

# The Competitive Advantages

## CHEAT SHEET

Presented by 

### What is a **Competitive Advantage?**



*A competitive advantage is a strength or capability that enables an organization to meet a customer or market need better than the competition.*

Competitive advantages are core organizational strengths that are difficult for competitors to recreate or duplicate.

### The 3 Traits of Advantages

#### **They're the Best of Your Strengths**

Your identified competitive advantages are also the best of the best from your organization's core strengths.

#### **They Are Valued by Customers**

What do your customers value most from your organization? If a customer was to enter the marketplace right now, what do they value the most from your organization, and why would they choose you over your competitors?

#### **They are Difficult to Replicate**

Actual competitive advantages are difficult, expensive, or impossible for your competitors to replicate. The idea is that your organization uses these advantages long-term to further differentiate or create a competitive moat from the competition.

## How to Identify Your Competitive Advantages

### From Your Competitors

↓  
**WIN**

#### **Why are they winning?**

Think about your competitor's core strengths and why those core strengths are valuable to your customers or market. If they win business over you, why?

↓  
**LOSE**

#### **Why are they not winning?**

Alternatively, it's nice to consider why they lose business to your organization or competitors. What are their weaknesses?

↓  
**BHAG**

#### **What's their 5-year BHAG?**

It's not always clear, but sometimes you can make a hypothesis as to what your competitor's direction and 5-year BHAG (big hairy audacious goal).

↓  
**Competitive Analysis**

### From Your Perspective

↓  
**WIN**

#### **Why are you winning?**

Why do you win over your competitors? What strengths do you possess that allows you to compete and win in the market?

↓  
**LOSE**

#### **Why are you not winning?**

Why do you lose against your competitors? What do customers value when they choose a competitor instead of your offering?

↓  
**BHAG**

#### **What's your 5-year BHAG?**

What's the big goal or future state you're skating to in the next five years. Why does that matter in your market, and why do customers value it?

↓  
**Competitive Advantages**

## 3 Actions to Consider After Identifying Advantages

### **1** Improve Strengths that Should be Advantages

If you look at your current set of strengths and see a strength that is not yet a true competitive advantage, consider working to turn that strength into an advantage.

*What do you need to invest in to make a strength a competitive moat?*

### **2** Go After Your Competitor's Advantages

When you conduct a market analysis, what advantages do the competitors possess that you could target or go after? Again, remember advantages require investment to achieve.

*How might chasing a competitor's advantage change your position in the market?*

### **3** Strengthen Your Current Advantages

Look at your current set of advantages and assess if there are actions you can take to strengthen your position.

*How can you further distance yourself from the pack?*