

Positioning: the most important hour you'll spend this year

BY KARL HELLMAN

You've got to run off to a meeting, I know. But I just need a minute.

I want to remind you that your product's position is the most important strategic decision you make, in fact, it's the single most important factor in your product's success.

Take a copy of your positioning statement with you; it will help you keep the meeting on strategy. And during a lull, maybe, when the accounting guy is explaining the allocation variances, cast a fish eye on it. See if you've learned something recently that improves your understanding of your target market. Challenge your point-of-difference, is it compelling to your target customer? Is it still different and better than your competitors? What about your proof: Is it really credible in the target customer's eyes? And finally, is your product's name an asset? Does it convey the identity of your product and its position?

You don't have a positioning statement? Well, you may want to take just a little more than a minute, and read the rest of this article. See you when you get back from the meeting....

...OK. You've gathered from the third paragraph that your positioning statement needs four parts: target market; point-of-difference, proof, and name. Here are some ideas to think about as you fill in the blanks:

YOUR POSITION IN YOUR CUSTOMERS MIND.

Your product's position is the place it holds in your target market's mind. If I say, Mercedes, and then say, BMW. Two very distinct positions come to thought, don't they. Go over the list of 4 items mentally right now. You can visualize each brand's target market; point-of-difference, and proof, can't you. And after all these years of ads, personal experiences, and reputations, the names have now become synonymous with their positions.

One more Gedanke experiment: I say Southwestern Airlines. You think, what? Cheap flights. Great value. Unpretentious. Fun. I was on a Southwestern flight a couple of Decembers ago, and we all sang Christmas Carols. I loved it.

I raise Southwestern, to illustrate that you don't necessarily need to be upscale to have a great product position, you do have to be distinct, clear, in-focus.

If I were to say your product's name to your customer or prospect, what would they say came to their mind? It's critical that they be able to answer, and give the answer you want them to give. It's a communication short cut. It's a foundation for a relationship between you and your customer. It leads directly to higher ROI for your product.

YOUR POSITION IN YOUR ECO-SYSTEM

Your eco-system comprises the companies that make up your economic world: The suppliers you can select from, the complementary products and services that combine with yours to solve your

"POSITIONING: THE MOST IMPORTANT HOUR YOU'LL SPEND THIS YEAR"

BY KARL HELLMAN

PAGE 1 OF 2

target customers' problems and meet their needs, the distributors, the Valued Added Resellers, even the information suppliers and financial institutions that facilitate the eco-system's operations.

If your target market is relatively small, and your point-of-difference is defensible, you are a classic niche player. Focus is your mantra, and unusually high margins and profitability are your measurements of success.

If you are the largest company in a large and growing market, you are the leader. The battle is yours to lose.

As you write your 4 part positioning statement, you will develop the implications of your position in your eco-system.

YOUR POSITION IS WHO YOU ARE AS AN ORGANIZATION

Hewlett-Packard's position of innovation would be completely ineffective if they weren't in fact innovative. Saturn's position of being an honest, caring, responsible friend would be completely ineffective if their sales people negotiated like street vendors. The Body Shop's position of being a socially responsible company would be a sham if the company did not infuse their buying policies and their corporate activities with genuine concern for and contribution to what they call the majority world and what others know as the third world.

You need to make sure that your product's position is attainable by your organization. But you also need to inspire your organization to live up to its values, to use its talents, and to be the kind of organization that you and your fellow employees want to work for.

THE MOST VALUABLE HOUR

If you have data, market research, segmentation, competitive analysis, it'll take just one more hour or so to write your positioning statement.

If you don't have all the data you need, don't feel badly. You're not alone. But recognize that it's your job as product manager to make sure you do have the data you need one quarter from now, or 6 months from now, certainly, a year from now.

And when the market research and competitive analysis is available you still need to spend that extra hour. You need to convert your insight into competitive advantage. You need to communicate to everyone in your organization and your allies (like your ad agency) exactly what strategy is going to take you to greatness.

It will be the most valuable hour you spend this year.