

CHALLENGE SUMMARY 1

Leadership Team
Support Materials

ARE YOUR COMPETITORS STARTING TO HURT YOU?

"Competition in any business continually works to drive down the rate of return on invested capital toward the competitive floor rate... investors will not tolerate this rate in the long term."

Professor Michael Porter in 'Competitive Strategy'.



Most businesses throughout the economic free world are subject to an immense range of competitor challenges and threats.

Maybe they offer a comparable product or service at a better price; perhaps they have a unique methodology or IP that will make your approach quickly out of date; perhaps their cost profile is superior to yours or they are better managed; maybe their government helps to support their business when yours does not!

So what can you do as a business leader, to defend and grow?

Short of cutting prices and or costs, **there are two key options open to you.**

1 INNOVATE

The first is to innovate – coming up with new and better products and services that differentiate you as a provider and give your sales teams some new USPs to get excited about.

2 SUPERIOR SERVICE

The second is to make sure that your organisation delivers world class service and support to your existing customer base – building the fortress that frustrates your competitor attempts and buys loyalty and long-term support.

And you can only do these things if you are truly a 'best in class' as an organisation, so what can you do to improve?

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