

Position “Process” as a competitive advantage

Introduction to Strategic Delivery Framework

By Andy Cadwell

In the technology world, creating differentiators that a company can take to market to add superior value to its customers IS a company’s competitive advantage. Companies that don’t innovate and define their differentiator usually either become a commodity, compete solely on price as their value proposition, or worse, they fail. Differentiators in the technology business can be broadly defined in 3 categories:

- People - The level of accomplishment of individuals within the organization can create differentiation.
- Process - How the organization accomplishes the goals of developing, positioning, deploying and supporting technology in alignment with their customers’ business goals can create differentiation.
- Technology - The unique, compelling business value of technology and how it is deployed to address business demands can create differentiation.

The TYPE of company typically dictates what type of differentiation the company will focus their key value proposition around. The majority of tech companies can be defined as either Manufacturers (Vendors) or System Integrators (SI’s, VARs who are usually technology partners of the various manufacturers). The company type--manufacturer or system integrator--drives the category of differentiation and subsequent positioning in the market.

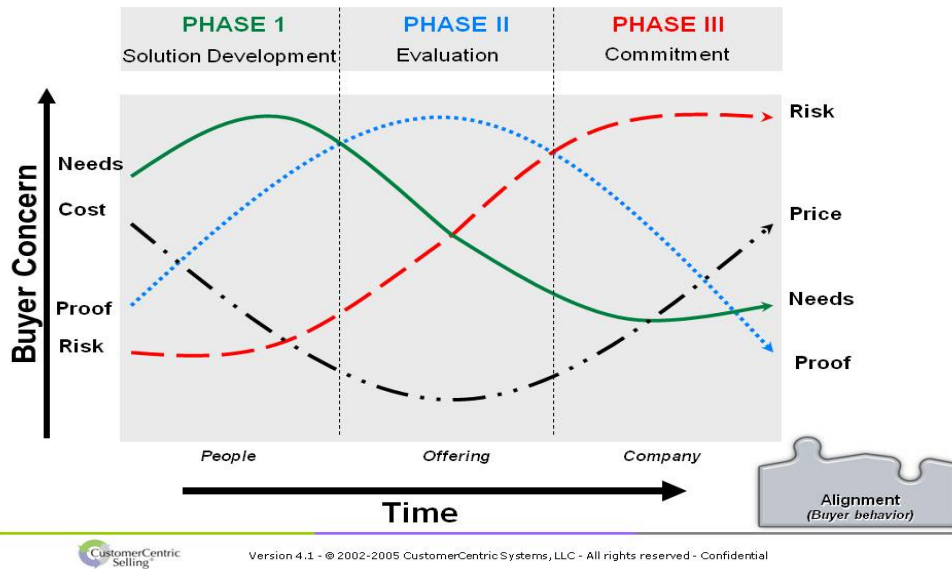
Type of Company	Category of Differentiation
Manufacturer	Technology (including ability to support)
System Integrators (SI’s)	People (including size, ability, coverage, reputation)

Most vendors use System Integrators to provide added value beyond the technology itself in the form of positioning, integration services, implementation and management of systems that are deployed. This typically precludes a SI from differentiation in the Technology category, so most SI’s differentiate primarily on the abilities of their people, their size, or their reputation in their markets. However, these differentiators are table stakes, because to compete effectively in their markets, the SI must possess these capabilities inherently or they will simply fade away because of substandard performance.

Conversely, manufacturers shift the risk of implementation (as well as the associated implementation profits and risks) to the SI’s. Because of this, Technology as a category is more important to a Vendor for competitive advantage than People. Manufacturers differentiate on either how a technology is used to solve a customer’s business problem, or how a technology is superior in performance to solve a customer’s problem. People rarely come up in those conversations; you don’t often hear a vendor say “Buy our product! It’s average, but we certainly have the best PEOPLE!!”

One category that is typically overlooked or underrated by both CI’s and Vendors is PROCESS. Process as a differentiator can be very powerful, because a well defined and proven delivery framework containing good process will address and mitigate risk for customers--and being able to mitigate risk leads to closed deals. This is illustrated in the following diagram referenced in Michael Bosworth’s *Solution Selling*.

Aligning With Shifting Buyer Concerns*



In this diagram, a sale is divided into three phases. In each phase, a different buyer concern is highlighted in importance.

Phase 1 is the Solution Development phase. During Solution Development, determining needs is most important. If needs aren't aligned with a solution, then the cost of the solution really isn't relevant unless the solution is so inexpensive that it is risk free to the buyer...an unlikely scenario in technology solutions!
**A good framework aligns business needs with solution capabilities!*

Phase 2 is the Evaluation phase. A client's needs have been determined and now the client will evaluate the technology for "fit" within the business, and seek proof that the solution is correct. This proof will be addressed in three typical buyer areas: User Buyer fit (how the solution will be used), Technical Buyer fit (how the solution would integrate into technology) and Economic Buyer fit (how the solution will address the economic needs of the business). Note that this last area, Economic Buyer fit, ISN'T about price; it is about how the solution will address the economic goals of the company, i.e. either addressing a revenue or cost side business goal. In Phase 2, proof that the solution is relevant becomes the most important buying criterion. **A good framework mitigates risk by proving the solution will meet the goals of the business!*

Phase 3 is the Commitment phase. If you progress to this phase, the solution has been determined to add value to the business *if planned and deployed correctly*. This means Risk becomes the overarching primary buyer concern, not price (secondary) as most salespeople think. To understand this is to learn to position risk mitigation as a primary differentiator. **A good delivery framework reduces risk to the customer and is a true differentiator!*

Both SI's AND Vendors can differentiate using process, but in each case this starts with creating a model that reduces risk of the deliverables to both the customer and the provider of the goods or services. For process to be a true differentiator, risk should be addressed all the way through the sales envisioning, proposal, planning, deployment, operations and optimization phases of a technology solution. Encapsulating the distinct processes that make up each one of these phases within one framework will result in one massive risk benefit for both the client and the Vendor/SI. This strategy acts as a unique selling differentiator. This differentiator is one of the primary Sales benefits of KickStart's Strategic Delivery Framework (SDF).

The KickStart SDF is a business strategy that helps all types of companies build best practices around complex solution delivery (hence the name). The SDF particularly helps companies who struggle with

creating or maintaining standard profitable professional services practices, product integration or process differentiation. For all companies, SDF becomes a *business* strategy rather than just a *project* strategy. SDF is a grassroots business strategy, meaning it starts at the field level, but it impacts business in such a profound way that it quickly becomes a topic of conversation and planning in the executive suite and into the boardroom. Companies who implement the SDF see significant improvements in execution within the Sales, Delivery and Management teams.

The Strategic Delivery Framework (SDF) has many other tangible benefits in addition to the benefit of differentiation. In addition to differentiation through risk mitigation, a well thought out process or framework such as SDF will also accomplish the following for both SI's and Vendors:

- Allows for rapid creation, insertion and adoption of new technologies
- Allows for greatly reduced dependence on high skill individuals(process over individuals)
- Creates hiring flexibility
- Stabilizes services revenue
- Creates added economies of scale by optimizing resources
- Increases sales closure rates
- Reduces cost of sales technical resources
- Creates meaningful metrics within a sales and deployment lifecycle
- Motivates employees through well defined measurements and rewards
- Adopts new success measurements that create added financial benefits
- Enables belief system throughout the organization of superior execution, and that organizational knowledge has intrinsic value (and charge for that knowledge and execution)

In future KickStart Accelerator articles I will explain how the SDF accomplishes these goals and how the SDF works to specifically up-level your sales organization along with your services organization.

When a company can help itself to optimize resources and empower sales and marketing to articulate differentiation in multiple areas, there is likelihood for a great deal of business performance leverage. Gaining competitive advantage through superior processes is not a new business idea but it is unusually rare for companies in technology who more commonly focus differentiation on the People or Technology categories.

Learning how to have a differentiation conversation around processes is tricky for most sales organizations - it starts with having a great framework that actually adds value to your customer and minimizes their business risk! Next, it requires sales and marketing people to create new belief systems and become process evangelists... something that typically ISN'T in their DNA. Finally differentiation based on process requires the ability to measure risk and deploy solutions in a proven, less risky manner than your competition. The Strategic Delivery Framework contains procedure in these areas that truly does create your differentiator!

Bottom line: Positioning "process" as a competitive differentiator is often overlooked and highly effective. Companies spend countless time, energy and money creating technology differentiators. Adopting an effective framework that addresses risk for your customers is relatively inexpensive, easy to deploy, and great for your business as your most powerful market differentiation tool.

For more information:

Contact Andrew Cadwell at andyc@kickstartall.com or (503) 803-2692 if you think that you would like to differentiate your business or gain more business benefits as a result of process or creating your own Strategic Delivery Framework.

About the author:

Andrew Cadwell is a contributing member and principal consultant affiliate of KickStart Alliance, a marketing and sales consulting consortium that helps businesses of all sizes with business agility. Andy is a serial entrepreneur with 20 plus years of experience in rapid growth companies and markets. Andy has owned, managed and spun out several successful businesses, most recently in the technology industry. Since he has started his consulting practice, has provided strategy, leadership, sales and operations consulting services to both early stage and mature companies in the technology industry. His clients range from start-up companies to distinguished members of the Fortune 50.