

***REPLACING***  
***- THE -***  
***RAINMAKER***

***WORKSHOPS***

***COMPETITIVE ANALYSIS***

This workbook accompanies the audio workshop. It includes speaker's notes, which summarize the content covered in the workshop. It also includes activities, which you'll complete during the workshop, and a continuing education assignment, which you'll complete after the workshop. The continuing education assignment gives you a chance to apply the theory you learned in a practical setting. At the end, there's a quiz to test what you've learned as well as space to make notes and information on where to go to learn more.

## ***SPEAKER'S NOTES***

### **Learning outcomes**

- You'll learn why a competitive analysis is an important part of developing your messaging.
- You'll learn about the benefits of a competitive analysis.
- You'll learn how to analyze your competitors to determine their strengths and weaknesses.

### **Competitive analysis**

- If you want to stand out from the competition, you need to be able to make your case to clients.
- To make your case to clients, you need to perform a competitive analysis.
- A competitive analysis involves analyzing your competition and ranking them on a number of areas, including price, client service and areas of expertise.

### **Refine your messaging**

- Your messaging explains what you do, for whom you do it and why you're different.
- Your messaging should resonate with your target audience.
- Your ideal client should read your messaging and think: "That's for me!"

### **Stand out from the competition**

- Start by studying the competition and performing a competitive analysis.
- Use the information you gathered in your competitive analysis to craft your competitive advantage.
- Your competitive advantage explains what you do better than the rest.

### **Define your advantage**

- Most firms do little research to identify their competitive advantage in their marketplace.
- Firms can often tell you about their competitive advantage in relation to much smaller or larger firms.
- Firms struggle to articulate their advantage compared to firms of a similar size or with a similar expertise.

### **Too small, too big, just right**

- For example, consider a firm that specializes in tax work for individuals.
- The firm might successfully argue they have a much larger team than an individual preparer.
- The firm might successfully argue they offer more personalized service than a large national firm.

### **Avoid the awkward pause**

- But the firm probably can't articulate their advantage relative to another small local firm.
- Most firms haven't done a thorough analysis of their direct competition.
- They're left with nothing to say when they have to make a case for themselves.

### **Win on your merits**

- If you can't articulate your competitive advantage, clients decide on price.
- You want to win work on your merits, not on your bargain price.
- If you can articulate the value you provide, you can charge higher prices.

### **Times are changing**

- The accounting marketplace is changing rapidly.
- It's important to maintain a current understanding of the strengths and weaknesses of your competition.
- Your competitive advantage five years ago may not be your competitive advantage today.

## **A silver bullet**

- Defining your true competitive advantage will help you win more work.
- You'll be able to clearly articulate why a client should choose you over the competition.
- You'll use your competitive advantage in collateral, on your website and during in-person conversations.

## **Identify the competition**

- The first step in performing a competitive analysis is to figure out who your competitors are.
- Start by identifying a list of your top 10 competitors.
- In most cases, your competitors should be firms of a similar size and type.

## **Be realistic**

- Be realistic when you identify your competitors.
- For service and industry niches, you may be competing against much smaller or larger firms.
- Include competitors for all your different offerings.

## **Dig through documents**

- Study the competition's website to see how they're positioning themselves.
- Use social media sites and product review sites to see what other people think of your competitors.
- Complement the publically available documents with information you've gathered through word of mouth.

## **The target audience**

- Figure out who their target audience is.
- This will help you understand who your competitors are looking for in an ideal client.
- Having different ideal clients gives you a point of differentiation for your competitive advantage.

## **Know their team**

- Figure out what your competitors are saying about their own team members.
- This information will likely be readily available via online bios and resumes.
- Pay attention to both qualitative and quantitative measures.

## **The service menu**

- For every service you offer, go through the other firm's same service offerings.
- Understand what they're touting as their competitive advantage.
- Look for disadvantages they're trying to downplay.

## **See the whole board**

- Look to see what other services they're offering.
- Clients increasingly want an accounting firm that offers a comprehensive set of services.
- Gauge whether your competition is advertising a broad suite of offerings.

## **Probe their niche**

- Figure out whether your competitors are specializing in any given niche.
- Figure out what services they're offering to clients in their chosen niche.
- Study how they're positioning their services in the market.

## **The latest news**

- Pay attention to how much effort your competitors make to stay on top of industry trends.
- Clients want an accountant who is knowledgeable about changing regulations and standards.
- Note whether they regularly publish a newsletter with industry updates.

## **Follow the money**

- Another important factor to research is price.
- Some firms will position themselves as the bargain provider.
- Other firms will position themselves as a value-added offering.

## **Hollow promises**

- Almost every firm will claim to offer outstanding client service.
- Most firms are making the same vague hollow promises.
- Note what evidence firms are providing to back up their claim to outstanding client service.

## **Rapid response**

- Pay particular attention to what firms are promising in terms of responsiveness.
- Clients often report feeling ignored by their accountant and this is an issue that matters to them.
- Identify what level of responsiveness you'll need to provide to stand out in this area.

## **Ask the grapevine**

- Look into what others are saying about your competition.
- Consult review sites that offer user-generated content.
- Read third-party testimonials on your competition's website.

## **Proxy voices**

- A testimonial is a written or verbal statement by a third party that praises a particular person, product or service.
- The most effective testimonials are those that speak about common client concerns.
- Check out whether the competition's testimonials are convincing.

## **Looks matter**

- Study the competition's website and collateral and size up their design choices.
- A firm's design choices say a lot about who they are.
- Pay attention to the colors they use, the images they choose and the balance between text and images.

## **Check the classifieds**

- Pay attention to where they're marketing themselves.
- Some firms will have a great presence on sites like Yelp, while others will be barely visible.
- Where they're advertising has a big impact on what kinds of clients they reach.

## **Lay the groundwork**

- At the end of this, you'll better understand the strengths and weaknesses of your competition.
- You'll have the necessary information to define your true competitive advantage.
- You'll know how to avoid making hollow claims that sound like everyone else's.

## **Look for opportunities**

- One unintended consequence of performing a competitive analysis is you may identify opportunities to specialize.
- You may uncover areas where demand exists but where there's not much competition.
- In these cases, you have the opportunity to specialize and gain market share quickly.

## **The big picture**

- The first step in developing your messaging is to understand what clients want.
- Once you know what clients care about, you perform your competitive analysis.
- That lets you judge how other firms are doing on the metrics that clients care about.

## The big picture

- Your competitive advantage makes a case for why clients should choose you.
- Then you craft your elevator pitch, which is where everything comes together.
- Your elevator pitch brings together the research you've done on your clients, your competition and your own strengths.

## Summary

- A competitive analysis helps you recognize the strengths and weaknesses of your competition.
- Understanding the competitive landscape gives you the necessary intelligence to determine your competitive advantage.
- Many firms can't articulate their advantage when competing against a similarly sized or similarly focused firm.

## ACTIVITIES

If you're completing these activities on your own, please write down your answers in your workbook. If you're completing these activities in a group, please write down your answers individually. Then share your responses with up to two other people. Look for commonalities among everyone's responses and discuss any differences.

### Activity 1

Pick three firms that you compete with on a regular basis in your niche or geographic market. For each firm, list their competitive advantage and competitive disadvantage.

### Activity 2

Now that you have a more complete understanding of how to conduct a competitive analysis, pick one of the three firms you analyzed in activity 1. Review their website to see how they tout their team's experience, service expertise, thought leadership, service commitments and performance. What measures and metrics do they use to substantiate their claims?

## CONTINUING EDUCATION

Take the time to analyze the strengths and weaknesses of your competition. Use the intelligence you gather to substantiate your claims, competitive advantage, issue-solution-benefit narratives and elevator pitch.

## QUIZ

1. A competitive analysis involves analyzing your competition and ranking them on a number of areas, including price, client service and areas of expertise.
2. If clients can't differentiate your services from everyone else's, more often than not you'll have to be the lowest-cost provider to win work.
3. Turnover is a non-issue for clients so it's not relevant to know whether your competition has experienced significant employee turnover in recent memory.
4. Clients commonly complain that their accountant doesn't do a good enough job communicating about changes that could impact them.
5. As you perform your competitive analysis, you'll realize that most firms are making vague hollow unsubstantiated promises like, "We're committed to responding quickly to your needs and to delivering quality work on time at a reasonable fee."
6. It's OK to claim outstanding client service if you're promising to respond to email within six hours just like everybody else.
7. The most effective testimonials in the accounting world are those that speak about common client concerns, the solutions that a firm offers and how those solutions benefit clients.
8. When analyzing your competitors' design preferences, you want to pay attention to the colors they use, the images they choose and the balance between text and images.
9. If you're short on time, it's OK to sidestep performing a competitive analysis and go straight to your firm's competitive advantage.
10. Many firms can't articulate their advantage when competing against a similarly sized or similarly focused firm.

## ***NOTES***

## ***FOR MORE INFORMATION***

For more information about additional workshops, or other Replacing the Rainmaker products and services, please visit [ReplacingTheRainmaker.com](http://ReplacingTheRainmaker.com).