

Every Business is a Commodity Business

Word Count 939

Time to face the facts! Given nothing to prove them wrong, here's what your prospect believes - one business is just like another. Any accountant can complete my tax return, any landscaper can maintain my property, any electrician can install a ceiling fan and any restaurant can fill me up.

Now, I didn't say it was true, in fact, you know it's not true, but you sit there doing nothing about it. Right?

If you can't find a way to differentiate your business from every other business that says it does what you do, and, if you can't communicate that difference in a way that really matters to a narrow target market, then you're basically in the *commodity* business. If I can't tell how one business is different than another, then I will use the only thing I can measure – **price**. Yes, the driving force in the commodity business is always price.

In case you haven't discovered this yet, price is a crappy place to compete. I assure you that there is someone out there willing to go out of business faster than you.

So how do you get out of the commodity business?

Find something that separates you from your competition, become it and speak it to everyone you meet. Quality isn't it, good service isn't it, fair pricing – not it. These are all expectations. A difference is in the way you do business, the way you package your product, the way you sell your service, the fact that you send cookies to your clients, the fact that you listen to them and give them what they want – it's in the experience you provide.

I have an exercise for you. I want you to answer this question: "What do you do for a living?" The trick though is that I don't want to hear what your title or profession is, I want to hear how what you do for a living is going help me get what I want.

Most small business is done face to face or over the phone. So, when you can come up with a statement that makes me beg to know more about what you do for a living...then you will climb out of the commodity business and into the premium business (As in, you can charge a premium for your services.)

Here's a simple formula that will help you with your answer to the "What do you do" question.

"What Do You Do For A Living?" I (Verb) + (Target Market) + (Something that matters to the target)

I teach small business owners how to triple what they make (marketing coach), I show commercial property owners how to reduce their water bills using smart water technology (consultant), I ease the fears of expecting parents (financial planner), I create financial rescue plans for the financially stranded (credit counselor), I bring comfort to the hot and sweaty (heating and cooling company), and I show contractors how to become more successful in their business (business coach).

Do you get the idea here? Making a statement like this forces you out of the commodity business and immediately begins to communicate how you are unique.

In many cases, something to differentiate your business can be as simple as serving a very tight niche market. It also can be the way in which you package your services. It can be in the way you price your services. It can be in an image that is related to your service. It could be your reputation for a special process.

The problem in small businesses is that your prospects really can't tell the difference. One accountant looks like another. One electrician looks like another. It may not be true, but unless you're spending millions of dollars in advertising to tell your story, in many cases, they can't tell the difference.

What happens is they pick up the phone and ask how much. That's the way in which they determine one from another. They base their decision on price.

If you can find a way, something that really makes you the obvious choice in your industry or in your market, and then you tell the world, you will very quickly rise to the top of your market. Price really is not going to be the same issue for you at all.

Here's what I want you to do. A lot of times people say they provide quality work and fair pricing. Unfortunately, those aren't differences. Those are expectations.

Your prospects believe that if you're in business, if you've got a business card or a sign out in front of your store, that you meet those expectations.

You can do this yourself or an outside firm can do this. I want you to go out and set up a time to go interview a handful of your clients. I want you to ask them specifically why they buy from you, how they found you, what makes them stay with you and why they refer business to you.

What I have found in many cases is that somebody who buys from you or somebody who uses your services is more prepared to tell what you do that is different or unique than you will ever be. For many of us small business owners, we're just doing it how we think it should be done or how our parents taught us to treat people.

Very often, you will find that there are little touches you provide that really are a big deal to your market or your specific clients. Those can be the things you want to tap into and communicate how you're different.



Jonathan Goldhill, Owner of The Goldhill Group, a fast-growth company providing business and marketing coaching and consulting to leaders and managers of landscape companies. For a copy of his free report on "How to Grow Your Business Like Crazy" email him for his "7 Steps" Report. For info about his Business & Marketing Webinars for Landscapers, visit www.TheGoldhillGroup.com. Jonathan can be reached at (818) 716-8826 or Jon@TheGoldhillGroup.com.