

# Differentiation Strategy:

Winning Customers  
by Being Different

 RESOURCE GUIDE

## Differentiation Strategy Process

The process for creating your differentiation strategy consists of the following five steps. An optional intermediate step is to conduct customer research to validate (or invalidate) the “As Is” strategy canvas you created in Step #2 and to identify potential new factors of competition to include on the “To Be” strategy canvas that will be created in Step #3.



## Resources

As part of this course, you are entitled to download and use the following resources.



### STRATEGY CANVAS SOFTWARE

The strategy canvas, valued at \$3,000, is a specially constructed Excel spreadsheet for creating the “As Is” and “To Be” strategy canvases in Steps #2 and #3.



### WORKSHOP TOOLKITS

The five-step process is implemented in the following three workshops plus the optional customer research between Steps #2 and #3 (i.e., between Workshop #1 and Workshop #2). A facilitator’s toolkit is available for each of the three workshops. Each toolkit contains an introductory PowerPoint slide deck and the agenda for the workshop. In addition to setting forth the steps of the workshop, the agenda makes reference to (a) the tools you can use during the workshop, (b) the chapter(s) in the book that address the workshop topics, and (c) the micro-modules in the course that address the workshop topics.

- **Workshop #1:** The first workshop is devoted to the first two steps of the five-step process—choosing the target market and creating the “As Is” strategy canvas.
- **Workshop #2:** The second workshop is devoted to using the customer research (if any was conducted) to validate or invalidate the “As Is” strategy canvas that was created in the first workshop. The next part of the workshop is devoted to the third step of the strategy process—creating the “To Be” strategy canvas, which includes the identification of new ways to differentiate your offering. There are various methods you can use to identify new ways to differentiate your offering. The methods are listed in the Facilitator/Interviewer Toolkit section below. Each of the toolkits includes the process and tools for implementing the method in the second workshop. The toolkits also include the questions you need to ask to implement the method during the customer research.
- **Workshop #3:** The third workshop is devoted to completing the last two steps of the strategy process—creating the value proposition and diagramming the activity system.

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## Resources (CONT)



### INTERVIEW GUIDE

Use the Interview Guide to guide yourself through the customer interviews. The Interview Guide has three sections:

- **Opening:** The first section is the opening, where you introduce the interviewer(s), thank the interviewee(s) for participating, provide a high-level explanation of the purpose of the interview, explain the interview process, and describe the gift they will receive at the end of the interview.
- **Questions:** The second section contains the questions you are going to ask. You should start by asking a very general kick-off question and then transition to the specific questions you want to ask. This Interview Guide provides some suggested kick-off questions. The specific questions will depend on the purpose of the interview. The two general purposes of the interviews are:
  - **“As Is” Strategy Canvas:** The purpose of this part of the interview is to validate (or invalidate) the “As Is” strategy canvas that was developed in Workshop #1. You will ask the interviewees to identify their next-best alternative (usually your closest competitor), the factors of competition, rank the importance of the factors of competition, and judge your relative performance on the factors of competition.
  - **“To Be” Strategy Canvas:** The purpose of this part of the interview is to identify potential new factors of competition. There are different methods you can use to identify potential new factors of competition, each of which involves a different set of questions. You can find the questions for each method in the corresponding Facilitator/Interviewer Toolkits, which are described in the next section of this Resource Guide.
- **Closing:** The closing is where you ask for feedback on the interview, thank the interviewees for participating, ask if there is anyone else you should interview, and give them their gift. A good generic gift is a \$100 Amazon gift card.



### FACILITATOR + INTERVIEWER TOOLKITS

As just explained, there are various methods you can use to identify new ways to differentiate your offering. You will map the new ways to differentiate on the “To Be” strategy canvas. Each of the ways, listed below, is described in a corresponding Facilitator/Interviewer Toolkit. The toolkit explains how to use the method in Workshop #2, and it includes the questions to ask in the customer research that occurs between Workshop #1 and Workshop #2. You can cut and paste the questions for these methods into the Interview Guide.

- **Attribute Lines Toolkit**
- **Attribute Map Toolkit**
- **Consumption Chain Toolkit**
- **Functionality-Quality-Usability Toolkit**
- **Hybrids Method Toolkit**
- **Jobs-To-Be-Done Toolkit**
- **Journey Map Toolkit**

### END NOTE

<sup>1</sup> Depending on the method you use to identify new ways to differentiate your offering, you may need to extend the length of Workshop #2 or do more than this one Workshop #2. And you may need to conduct separate interviews that are devoted to identifying new ways to differentiate your offering rather than attempting to identify new differentiation opportunities during the “As Is” strategy canvas validation interviews.