

STRATEGIC MARKET MANAGEMENT APPROACH FOR LEADERSHIP CONSULTING
STRATEGIC POSITIONING AND GROWTH STRATEGIES
COMPONENT THREE FOR UNIT 6

by

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Abstract

Positioning and growth strategies are key to developing and sustaining a business in today's competitive high-tech world. Leadership consulting agencies may be the answer to companies who need assistance in creating and maintaining such strategies. Having an understanding of the culture of the company, the needs of the customer and knowing what the competition is doing are imperative for leadership consultants who are hired to aid business in strategic marketing.

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Business Strategy

Doing business is getting more competitive in this age of communication technology. It is well known that companies of all types are competing within a regional geographic area and also globally on the Internet. The Internet allows for companies to do business in areas that they may never have even considered in years past. Companies can advertise through many forms of media on the Internet; in print, video, and animation or through sounds and images. Businesses may also sell their services and products, wholesale or retail through online transactions.

Internet technology makes it easier for companies to let potential customers know about their products and services. This glut of online competition brings prices lower and creates a need for a more aggressive style of leadership. Leadership consulting agencies can be exactly what smart businesses may need to stay ahead of the competition and redesign organizations to be more efficient, effective and profitable.

According to marketing guru David A. Aaker, author of *Strategic Market Management* (2001), “Strategic position [is] the face of the business strategy, [that] specifies how the business aspires to be perceived (by its customers, employees, and partners) relative to its competitors and market.” Aaker points out, “Strategic initiatives and communication programs are driven by strategic position, and it is the guiding beacon for organizational culture and values. For all of these reasons, it is crucial to get the strategic position right (p. 192).

Strategic positioning should be effective in six primary areas: The face of the business strategy, differentiating from competitors, resonating with the customers, drive and guide strategic initiatives, drive communication program, and express the values and culture of the organization (Aaker, 2001, p. 193). In a leadership-consulting agency each of these issues must

be addressed in creating a strategic marketing plan for positioning. In doing this effectively, a leadership-consulting agency may also have an edge in helping its competition do the same.

An other area a leadership consulting agency may want to look at for gaining a competitive edge are creating an image that builds a reputation for giving extraordinary service quality. Word of mouth advertising has often proven to be the most effective of all means of promotion. Leadership consulting agencies that want to be recommended by customers must strive to give a quality of service that is memorable and competitive with its competition.

In an interview given to a graduate student of Chapman University's Organizational Leadership program by a leadership consultant, Dr. John Besaw of Besaw and Associates, Dr. Besaw shared that price in this business means a great deal. "If you charge less than what your competition is charging you may appear less effective and weaker than your competitors. If you charge more, you may be out-pricing yourself of a contract, unless you can convince and prove to your customer that your service is far-superior," Besaw explained. Customers of the consulting business need value for the money and should be given it at every opportunity. Including ways to give value for money in a strategic marketing plan will enhance strategic position.

Strategic positions may take several options. Aaker (2001) describes six of them:

The quality player with a defined product space. For example, Gillette's Good News is the best of disposable razors, Saks Fifth Avenue aspires to be the best premium store, and Andersen Consulting hopes to be perceived as the best management-consulting firm in an expanding scope of activities. To be successful with this strategic position, a firm must both deliver on the promise of being the best and manage the category definition that dictates the perceived set of competitors.

The value option-- Hyundai, Budget rental cars, Kmart, and MyDiscountBroker.com are all positioned primarily as value players. Success in a value position generally requires a cost advantage, and again, it is important to carefully manage the perceived competitive set. Budget, for example, is only a value when compared against the leading rental firm, and Kmart similarly provides value among a well-defined set of competitors. When J. C. Penney attempted to upscale its offerings, it walked a fine line between enhancing value and changing its competitive set.

The pioneer. Ford, HP, Sun-Maid, Boeing, and Bank of America can all present themselves as pioneers that helped create a category and have been on the forefront ever since. A pioneer must also convince customers that it is contemporary and innovative; otherwise it may simply be perceived as old. The pioneer dimension is closely related to authenticity (being the real thing, rather than artificial)—one of the most powerful drivers of attitude.

A narrow product focus--The essence of Lets-go-fly-a-kite, Aamco, and Ferrari cars is their narrow product offering. As such, they are imbued with credibility that they know their product well. The challenge is to be disciplined about not expanding the product scope in a way that would dilute this credibility.

A target segment focus--An on-line business with focus is gold Violin, which provides products and services for the retired generation (whom it conceptualizes as modern-day heroes). Another is Bolt, an online brand focusing on 15 to 18 year-olds that is differentiated in large part by its relentless reliance on community. Business 2.0 has become one of the leading new economy magazines by focusing on “transformers”—innovative people with the power and dollars to influence the direction of business.

Positioning with respect to a target segment can help ensure that the organization keeps its eye on the ball by keeping the product experience responsive and relevant to that segment (Aakers, 2001, pp. 200-201).

The leadership consulting business can use any of the above mentioned position options, even the pioneer, if it comes up with a specific unit of leadership that distinguishes them as the original. The value option may include pricing similar to the competition, but promising giving more. Of course the quality player with a defined product space may prove to be the best option combined with a narrow focus and a target segment focus. In doing so, customers of the leadership consulting agency will feel like they are getting the best service possible and making that service unavailable to its competition.

On the other hand, leadership consultants may want to offer a line of services that makes them appeal to a larger scope of potential customers. Amazon.com offers the “Earth’s Biggest Selection.” This offering gives customers no reason to look anywhere else. The leadership-consulting agency may offer products like diversity training, strategic planning, customer service training, public relations, executive coaching and other such services that could be associated with consulting.

Leadership consultation agency strategic planners may want to include an emotional and self-expressive benefit to their image. Volvo uses safety. BMW uses exhilaration. Nordstrom uses important. Evian uses healthy. Hallmark cards uses warm. A leadership-consulting agency may use brave, one-of-us, intelligent or elite.

Developing and selecting a strategic position should be done with both the customer and the competition in mind. Strategic planners should review what the competition is doing and how effective it really is. They should also reflect the culture and strategy of the business and

not try to create an image of what it is not. It should resonate with the target market. This can be accomplished by creating associations that express benefits and added value.

Growth Strategies

There are two primary ways to gain growth in an industry that may be useful in the development of a leadership consulting firm's strategic marketing plan. One is expanding product line the other is to expand geographically.

When evaluating market expansion alternatives there are four areas of questioning that could be useful, as suggested by David Aaker (2001). Is the market attractive? Do the resources and will exist to make the necessary commitment in the face of uncertainties? Can the business be adapted to the new market? Can the assets and competencies that are at the heart of business success be transferred into the new business environment (pp. 222-223)?

According to Aaker (2001) "The most fruitful growth area is often to increase product usage within the existing product market, where assets and competencies are in place and only need to be leveraged. Growth within a product market can be achieved by increasing the frequency of use or the quantity used, by revitalizing the business, or by finding new applications (p. 229)." This may be done in a leadership-consulting agency by looking at what services are working well and by asking customers what other areas could be addressed with this service.

Aaker also suggest that, "Growth can be achieved with incremental growth strategies, significant growth initiatives, or big ideas. All businesses should strive to uncover and implement big ideas, because they are usually the source of breakthrough strategies (p. 229). Big ideas mentioned by Aaker include Walt Disney's Disneyland or Michael Dell's Dell computers being sold only online and custom-built. A leadership-consulting agency may find a way to distinguish itself by having an affordable online question and answer evaluation service that

addresses organizational development issues and offers further services direct. Perhaps the leadership-consulting agency could offer customized development seminars built tailor-fit for each organization and in a facility that makes it memorable to the customer.

Conclusion

Strategies that position companies like a leadership-consulting agency into a stronger area of growth have several areas that should be researched. Strategic position needs to reflect the culture and strategy of the business to differentiate it from its competitors, and to resonate with the target market (Aaker, p. 210). Growth can be achieved with incremental growth strategies, significant growth initiatives, or big ideas. All businesses should strive to uncover and implement big ideas, because they are usually the source of breakthrough strategies (p. 229). Leadership consulting agencies may be the key helping organizations of all types discover, create and implement such strategies. Developing better leadership strategies and marketing strategies that fit the needs of the clients, organization and market are the keys to growth, positioning and staying competitive in today's heightened business environment.

Reference

Aaker, D. A. (2001). Strategic market management 6th edition. New York, NY: Wiley & Sons.