



THE PJA ENABLING TECHNOLOGY SERIES

Between Blue Sky and Bullet Points

Finding the Positioning Sweet Spot

by Mike O'Toole and Hugh Kennedy

ADVERTISING + MARKETING

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Since 1988, PJA has specialized in marketing and advertising programs that help technology, healthcare, and life science companies capture the value they deserve.

Philip Johnson Associates

12 Arrow Street Cambridge MA 02138
t 617.492.5899 f 617.661.1530 www.agencypja.com

Mike O'Toole

Partner
617.234.7353
motoole@agencypja.com

Hugh Kennedy

Partner
617.234.7335
hjkennedy@agencypja.com

Greg Straface

Director, New Business Development
617.234.7371
gstraface@agencypja.com

What Are Enabling Brands?

There are two kinds of brands: those you use at work, and those you use at home or in your leisure time. We focus on what we call Enabling Brands—the at-work, professional brands used in the business setting that help scientific, service, and industrial companies compete more effectively.

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Consolidation Drives a New Positioning Mandate

As 2005 draws to a close, one thing is abundantly clear: the year will be remembered as the strongest for mergers and acquisitions since the go-go days of 1999. Yet while categories and brands proliferated five years ago, the trend today is consolidation, particularly for technology and health care markets. We see consolidation driving the need for positioning in three ways:

Consolidation changes the market landscape. It is not just companies that are being consolidated, but entire categories. Take business software: What used to be standalone applications are being integrated as modules in an enterprise suite. As a result, best-of-breed players who specialize in a particular functional or vertical niche are under siege from SAP, Oracle, and to a lesser degree, Microsoft, and IBM. Positioning in this environment means emphasizing the benefits of a best-of-breed approach as you articulate your own story.

Consolidation has driven a flight to safety. Given the very real possibility that a vendor could be snapped up, the big, established brands look awfully good.

Consolidation creates urgency. As buyers look out over the marketplace, they are taking guesses at who will be around in 12 to 18 months, and who can help them fill in a strategic gap or provide some needed inorganic growth. This dynamic creates a need to clarify messaging quickly, so you communicate that you'll be on the right side of consolidation.

The New Positioning Mandate

Effective marketing has always been built on a solid position: A clear statement of who you are, why you're different, and why your prospects and customers should care. For our clients, the high-value B2B brands we call Enabling Brands, we've noticed that positioning is most often where companies stumble in their marketing efforts. Some get stuck at 40,000 feet in the blue sky view of the business that produces positions with no real bite or differentiation. Just as many get bogged down in bullet points, confusing product features for positioning.

The question is, how do you find the sweet spot between the two extremes and arrive at a position with enough aspiration to help people see beyond today, but enough detail to give it some traction in the market?

With a nod to Ries and Trout, positioning is still very much a battle for the mind. B2B companies face the same grind-it-out struggle for awareness and consideration they always have. Accelerating complexity, commoditization, price pressure, and change are facts of life. Then there's the consolidation mania of 2005, likely to continue into next year, which has created an even greater imperative to get your story straight.

Given all these pressures, what is the best way to tackle your positioning? The short answer: Start with a bold claim, refine it and test it, and get it out into the market quickly.

Three Principles for Strong B2B Positioning

Because we're often asked to develop positions for companies in fast-changing markets, PJA has developed a set of executional principles to quickly develop the stories our clients need to tell their markets. We have used these principles successfully for brands across industries, from Keane, Progress Software, IBM, and SSA Global to LTX, Netegrity, and Millipore. Here's how we approach an assignment:

I. Define a bold claim to value.

The natural instinct for B2B marketers is a flight to safety; in other words, to sound like everyone else. This means that most positioning statements, and the marketing communications and sales decks they drive, sound eerily similar. We call this the interstate method of positioning—create a claim so big and so inclusive you could drive a truck through it.

As most business and marketing strategy books will attest, there are only a few paths to a definitive value claim. For Enabling Brands, you can:

- Have the best product, or a new product that matters
- Have the best way of supporting that product, alone or with partners, to bring additional benefit to customers
- Have the best vision, the best road map to anticipate and respond to a changing market

Once you decide on the path that makes sense, being bold with marketing is a matter of communicating unique value, not merely being different. It all starts by honestly answering the question: Where do we lead?

Good positioning forces hard choices. The trick here is to fight the urge to say everything, or to say it like everyone else. The role we often play as an outside agency is to not let companies settle for a better, cheaper, faster solution, but to force them to pick one. If you claim to be many things, you'll be remembered for none. Or as we like to say, capturing a single, compelling message earns you the right to tell a more complex story.

We push our clients to search for the one thing that makes them unique. It could be your founding technology and the ongoing market dominance you build with it. Or a technical support experience that creates exceptionally loyal customers. Or a delivery model that reliably returns customer profits. Or the innovation you will continue to enable in the market, which makes you a wise choice. Or the way the company entered an expensive, mature market late enough to disrupt its price and turnaround norms. Usually, we find the building blocks of the best position lurking in the speaker's notes of the best salespeople, or when we sit down with the founder or CEO.

Defining the Claim

There are many tools to structure such a positioning exercise. Here are two simple and effective ones:

The Chasm Claim*

For (target customer)

Who (statement of need or opportunity)

The (product name) is a (product category)

That (statement of key benefit – that is, compelling reason to buy)

Unlike (primary competitive alternative)

Our product (statement of primary differentiation)

The Positioning XYZs**

“We are the only **X** that solves **Y** problem in **Z** unique way.” Where:

X is the category of company, product, service, or other offering you’ve chosen to win

Y is the unmet need of your target audience, and

Z is the differentiation, advantage, or key positive distinction you have over your competition

* Courtesy of Geoffrey Moore, *Crossing the Chasm*. ** Courtesy of *The Marketing Playbook*.

Three Principles for Strong B2B Positioning *(continued)**II. Move quickly and decisively.*

What B2B companies need today is practical, on-strategy messaging that lives in an audience and market context and gets you 80 percent of the way to your goal. In our positioning engagements, we build an argument that's rooted in the three Enabling Brand value claims: Product superiority, solution support, and market vision. Using this approach forces our clients to think not just about product and technology (where most technology marketers are comfortable), but also to think about qualities of customer support and a technology road map, which can be as differentiating as products. We gather this information in a focused positioning session with the client that takes place over a half a day and yields creative executions within weeks.

The advantage of this approach is a concentrated effort that avoids diluting the focus over a long, drawn out process. In most cases, our clients face a set of market challenges that require them to move in weeks, not months. Momentum and speed can provide a tremendous advantage.

PJA has developed a detailed process, which we call the Market Narrative. It provides a road map that can lead you to a working position in a matter of weeks.

You can view the PJA Market Narrative on page 11.

Three Principles for Strong B2B Positioning *(continued)****III. Bring your position to life.***

You have your positioning. Now you have to give it a voice. Before going to market with a half-million dollar initiative, the final critical step is to build a pilot creative execution to vet the strength of your new position. We recommend a signature marketing piece that expresses the messaging. This piece can be content-driven or concept-driven.

To codify the position and messages, you need to make your work available and drive it through the organization. Positioning developed in a quick-cut session may come to life effectively as:

- A six- to eight-slide corporate Microsoft® PowerPoint overview
- Core messaging for a press conference briefing
- Sales materials such as a ‘cheat sheet’ that orients your reps around a consistent story
- An employee brand book or trade show poster
- A guide to technology selection in your space
- A messaging brief for advertising efforts or a Web site

How effective can a new position be? We’ve witnessed our own clients make substantial sales (or new investments), launch high-value direct programs that yield response rates of more than 10 percent, even lay the groundwork for a successful IPO. All based on a refreshed sense of who they are.

The PJA Market Narrative

We call our approach the Market Narrative because the best positions are stories that compel people to pay attention to you. Getting to those stories is part art and part science. The best way to ensure success is to have a rigorous process that leads to the end goal. Here's the road map that PJA has effectively used with dozens of clients.

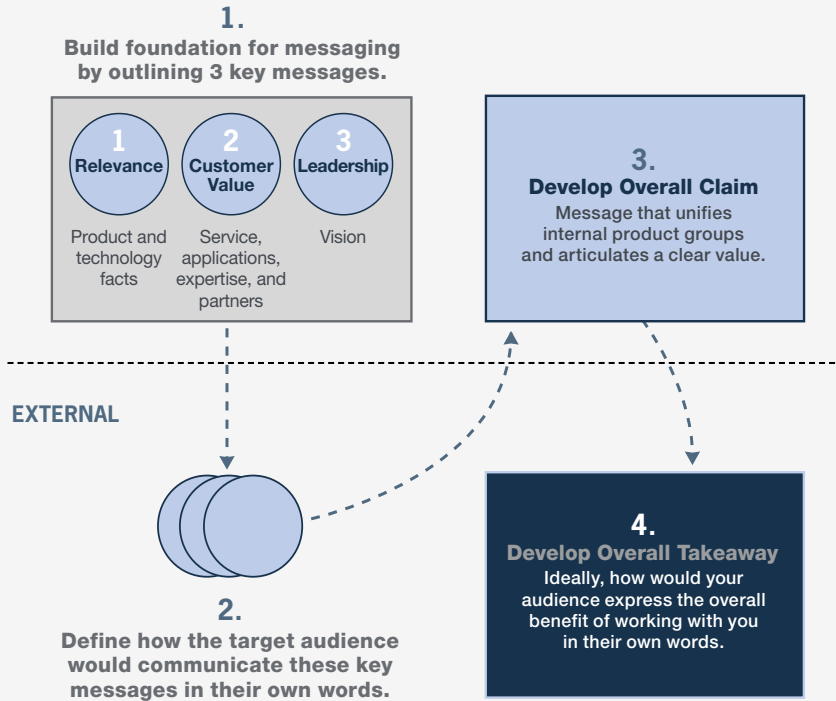
1. Make sure you have done your homework. There is nothing more frustrating than getting a group of senior people together and wasting their time with basic SWOT or competitive analysis. To make most of the positioning session, the following questions should be answered beforehand:

- Who are you talking to? Who is the target audience and market segment for the positioning? All of our clients operate in complex markets, target multiple audiences, and sell in several markets and geographies. To make positioning focused and manageable, we ask them to identify their most important segment as the audience.
- What does your audience need? How do they define their relevant business need or pain? How do they make purchase decisions? And what do they think of you and your major competitors? Make sure you have primary data here and are not going solely on your gut or the anecdotes from your sales force.
- What is your existing positioning? It's a good exercise to take a fresh look at existing positioning statements before launching a new initiative. It may be worth going through a quick positioning exercise internally. You'll come to the session already having started your thought process.

Exhibit 1: The PJA Positioning Workshop

We see the role of an agency as helping the company to make tough choices in crafting a clear position, and playing back the voice of the customer at every step to ensure it's relevant. Doing both means articulating messages at four key points.

INTERNAL



The PJA Market Narrative *(continued)*

2. Get the right people. Who should be included in a positioning exercise? Generally it requires decision-makers who represent marketing, sales, products, partners, support, technology, and your company leadership. Positioning comes from the top. If the CEO, or CMO, doesn't drive and support the positioning process and outcome, it's not going to stick. Given this stringent requirement, the toughest thing about a quick-cut positioning exercise is often aligning schedules, so be patient in your quest to get the right players around a table.

3. Follow a leader. A quick-cut positioning session typically requires a minimum of two moderators: one to lead the discussion and one to capture insights on flip charts or a white board. These cannot be mere bodies; the people conducting the session must know the market you play in and bring the competitive insights to bear that will result in positioning that moves the needle. Our process starts with a listing of competitive FUD—how competitors are undermining you in sales situations. This tends to set a tone for ruthless honesty, and there is nothing like a few competitive jabs to get the blood moving.

We then generate the product, solution support, and market vision proof points. Think of these as your résumé: Accomplishments, unique strengths, industry firsts or bests that you can claim in each category. We generate a claim for each category and do our best to cast an objective eye on the claim by asking the group to try on the customer voice—how customers would state the claim in their own words. We finish the session by generating at least an outline of an overall positioning claim. In other words, the point is not rough brainstorming or data dumping, but to move the group through to an initial positioning hypothesis at the end of two to three hours.

The PJA Market Narrative *(continued)*

4. Refine, translate, and test before applying. The positioning session, done right, will give you the basic message and proof points. Post session, we refine the claims and fill in any missing proof points. We also take the first step in translating the positioning into a market-facing message. We develop several theme lines: Shorter, focused statements that emphasize a particular benefit and are meant to carry a distinctive emotional association (e.g., easy, safe, aspirational, etc.) for the audience. Think of the theme line as beginning the transition from positioning to brand.

Theme lines also have a distinct testing advantage: They are short, focused, and take a stand. They can help elicit a quick and clear reaction from survey respondents. This is key, because the first question our clients ask is: How do I test my positioning without going through a long, costly process? Our response:

- Go to your most trusted internal and external sources before you go to the market at large—your brightest employees, the analysts who cover you or to whom you subscribe, the board members you trust the most, your best customers and partners.
- Start by talking to them about current needs, buying process, and competitive perceptions. Then let them hear your positioning ideas and listen closely to how they respond.
- Use in-depth interviews with a minimum sample of 15 respondents per market segment. The advantages of live conversations are that you can probe attitudes and perceptions and get significant qualitative value. Another option is e-mail surveys. The advantages here are faster results, less expense per data point, and quantitative value.

Exhibit 2: The Positioning Session Score Sheet

INTERNAL				Overall Claim: In one sentence, what is your differentiating position?		
				Technology Claim: What gives your products the edge?	Customer Value Claim: What do you add to your products to create value?	Vision Claim: Where are you taking your industry long term?
EXTERNAL				Support Points	Support Points	Support Points
				Takeaway 1	Takeaway 2	Takeaway 3
Overall Takeaway: As a customer, how do I reflect on this position and experience the benefits?						

From Positioning Claim to Theme Line

	Positioning Claim	Theme Line
	Fact-based 15-25 words	Emotional 5-10 words
Use Model	PR boilerplate Sales decks	Advertising and marketing creative Tagline and headlines
Example	Company X combines its unmatched depth in IT infrastructure with its leadership in wireless integration to help you realize the full promise of online and mobile games.	Whatever the game demands.

A Little Vision, A Little Execution

Ultimately, we believe that any position you stake out should speak directly to the customers' world. As with any winning position, that means playing to their aspirations as well as their hunger for details. In other words, delivering messages into the space between the blue sky and the bullet points. Build your position with the right elements of both, using the people who really matter in your company, and you'll ensure that you have relevance in today's turbulent world of B2B markets.

A Quick Positioning Test

Many corporate positioning efforts get lost on the shoals of conformity and complexity. To find out how yours stacks up, put it through a gauntlet like this one.

Does the positioning make your most important audiences:

- Notice you?
- Like you?
- Believe you?
- Remember you?

Other PJA Enabling Brands e-Books

Get Me in Front of My Top 400 Leads

by Mike O'Toole

DOWNLOAD

Successful Behaviors of Enabling Brands

by Hugh Kennedy

DOWNLOAD

Enabling Brands; Or, Not Everyone Can be Coke

by Hugh Kennedy

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Building an Enabling Brand in the Life Sciences Marketplace

by Hugh Kennedy

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Content Strategies to Break Sales Gridlock

by Philip Johnson

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Lessons from the Leading Edge

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