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Seven Ways Manufacturers Get More Competitive



White Paper No. 3

The shortcut to trust and credibility™

How does your company distinguish itself from its competitors? Most companies say they offer great quality, service and prices—so making those claims, alone, may not be convincing. They are important qualities, and should be included in marketing efforts, but they should be explained in concrete terms.

If you truly produce products of superior quality compared to the competition, why is that so? Do you have better raw materials? More skilled technicians? More sophisticated technology.

If your prices are better, why is that so? How is it you can afford to manufacture components at prices below those of your competitors? Do you have higher volume? Lower overhead? More efficient processes?

If you claim your service is better, why? Do you have a more effective way of meeting deadlines? Faster turn-around? Better follow-up service? A better product guarantee?

It is a worthwhile effort to find other ways to distinguish your company in the marketplace. If you define your own competitive advantages, not only will potential buyers have a better handle on your company, they will be better able to defend their decision to others in the company.

Take a look these examples of competitive advantages. While they may not be appropriate for your company, they will show you the kind of thinking that is involved.

The Seven Ways

1. Specialized technical expertise

Perhaps your firm is particularly skilled at designing a certain type of product. Maybe you've won patents for some of your designs or have an outstanding record of successes with certain products. We work with one company whose specialty is manufacturing telecommunications satellite antennas. Another focuses on fabricating sheet metal computer cabinets. Another makes hydraulic valves for aerospace applications. These are not the kind of specializations that a buyer finds in the yellow pages. These manufacturers need to seek out their customers and tell them about their special capabilities. And it's well worth the effort, because specialization can give you a substantial competitive advantage that brings you to the "inner circle" where customers' key vendor decisions are made.

1. Specialized technical expertise
2. Superior manufacturing systems
3. Making customers jobs easier
4. Superior sales and management
5. Become experts in long runs or prototypes
6. Specialize
7. Offer related services to existing customers

2. Superior manufacturing systems

Do you own equipment that your competitors don't have? Being able to handle a 50" x 100" piece of sheet metal could be valuable if it translates into lower unit costs you can pass on to clients.

Do you run a pallet changer on your machining center that makes your production more efficient? Do you have a water jet for quicker precision cuts? Or a 20' x 40' sandblast booth that lets you prep complete assemblies?

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3. Making customers jobs easier

Whatever you can do to make a buyer look good to his bosses will increase your chances of success.

For example, one of our manufacturing clients told us the story of a buyer whose parent corporation wanted him to reduce inventories. No more than a three-month supply was to be on hand at any time. But fast turn-around was still a requirement.

The manufacturer thought creatively about the buyer's problem and proposed a solution. He would produce a year's supply of parts at once and store the extra ones himself. It saved set-up time, and kept the manufacturing costs down. By delivering the parts on a monthly basis, he made his buyer look like a hero to his superiors. And he won over a customer for life.

Of course, the only way this manufacturer learned of this customer's problem was by having a good working relationship that allowed him to stay in touch with his needs.

6. Superior sales and management

Manufacturing, like any other industry, is a business about people. How your sales and management team get along with a prospect can mean the difference between landing and losing a job, especially when all bids fall in the same range. What you bring to the table in terms of professionalism and personality can be your competitive edge.

Family history may also play a part in a buyer's decision. If your father started your company, you've got a solid track record in place. Because many companies come and go and change direction, the appearance of solidarity and longevity is a strong distinction. Build on it and leverage it with effective marketing.

5. Become experts in long runs or prototypes.

There are markets for low cost, long-run production houses. And for manufacturers whose specialty is developing prototype products. Choosing a direction that's right for you depends on many things, including your space requirements, production capabilities and margins. Ask yourself if there is a direction you can gradually take your company that will add value to your services and help you establish a stronger identity.

6. Specialize

The marketplace likes specialists. Opportunities abound for those who become experts in a particular type of work. Become experts at creating dental implants, aerospace parts, sporting goods or automotive parts. But before into any specialization, make sure you don't have a competitor doing the same thing. When you focus your company, it helps others see you more clearly too.

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7. Offer related services to existing customers

Many of your current customers use services that you might consider providing.

Perhaps one of your large machining customers also needs welding, sheet metal and silk-screening. You could offer it all under one roof. If you don't already, consider adding design support. Or engineering. Or mechanical assembly. Or packaging. There are many combinations of value-added services that you can use to more effectively package and promote your company. Offering additional services creates a distinction that creates buyer loyalty and solidifies long-term relationships.

By offering related services, you also reduce the risk of losing your customers to competitors who could add services you provide. If you take on design or engineering, you reduce the chance that the company that now provides these services to your customers may someday expand to machining and take your customer away.

It's much easier to expand your business relationships with current customers than it is to find new ones.

Explore your company's competitive advantages

If you'd like to learn more about how to effectively market your manufacturing company, give The Christopher Company a call at (888) 464-8383. We can help you take full advantage of the qualities that make your company unique—and show you how to translate these qualities into a greater prominence in the marketplace