

## Finding Your Niche

To find your strategic direction, the first step is to “define and differentiate.”



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**TO BE SUCCESSFUL**, the first thing to know is what business you are in. You have to define your company. Success mandates defining a niche that best differentiates you. No one can be “all things to all people”; it defocuses your staff and confuses customers, reps, and Sales. A niche is what defines a company; the more narrow it is, the better-aligned and focused a company can be.

(Of course, the niche has to be backed by a viable market. Avoid markets that lack sufficient business or that has so many players that the competition is just too fierce.) And you must position your company as the “go to” firm within that niche.

There are about 550 board shops in North America, and the ones that are surviving are the ones that occupy a well-defined, well-marketed niche. How do you go about defining your company, or, better yet, your niche? First, look at what you do well. Analyze your customer base: Who are your favorite customers? Why do you like doing business with them? Why do they like you (hint: ask them!)? Study your customer base for a common thread or technology trend, looking for what you’re good at and what makes you money. Look at other companies, companies that are not only surviving but thriving in a down market. What are they doing right? What business are they in? Investigate the market to ensure it has future prospects. Make sure the business you want to be in is solid, that the end-products are in demand today ... and will be tomorrow, too.

These are not exercises for a single individual; involve the entire management team. They each need to have a voice. There are a number of good reasons, some obvious and some not. First, the more heads, the more ideas: Group synergy can provide more concepts than could a single person. Second, everyone must be on board. No matter the direction chosen, the entire team has to be focused on it, for they are the ones responsible for execution and communicating down the line. If they are confused or don’t buy in to it, the direction will not work.

The process of finding a strategic direction and defining your niche is a team-building process in itself. The self-definition exercise makes a company better. And in some cases the attitude and determination of the team can make almost any strategy succeed.

The best place to work on direction is ... somewhere else. Go offsite. Get the key players in a room where they can’t be

interrupted, then let them go at it until a plan is devised. Sound simple? I guarantee it’s not. And the plan should be revisited at least every six months. Here’s a quick test. Ask your staff to state, in 25 words or less, what your company does. Include everyone, from the vice president of sales to the maintenance personnel. If their answers are not clear and concise, or worse, different, then you lack a clear direction.

Over the years I’ve spent working with companies to help them to define their niche, and hence their strategic direction, I’ve devised a list of questions. I’ve found these effective because, among other things, by the time they are answered, the respondents know a great deal about each other and their company, not to mention the “other” result: a strategic plan developed by your entire team. (For the list, see my full column at [www.pcfab.com](http://www.pcfab.com).)

Next month, PC FAB will launch a new column: Making Board Shops Better. I’m coordinating the column, which will feature a number of industry experts, writing on key “meat and potatoes” issues that will help make

### Analyze your customers: **WHY DO THEY LIKE WORKING WITH YOU?** **(Ask them!)**

your company better. Among the topics we’ll cover:

- Controlling cash flow.
- The ins and outs of buying used equipment.
- Value engineering: How to squeeze that last dollar out of your process.
- Value selling: Showing your customer why price isn’t everything.
- Key people: finding, hiring, and motivating them.

It is our hope that you will look upon this column as one that is interesting, informative, and interactive. Our plan: to use this column in tandem with the Web site to provide tips, tools, graphs, charts, illustrations, and advice that go beyond what the magazine space permits, well as offering the opportunity to exchange ideas and comments with our writers.

If you have a topic that you would like to write about, or a subject that you would like to have an expert discuss, please contact myself or one of the editors. ○

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## I. The Company

### 1. A description of the Company as it appears today.

Answer the questions:

- a. Who are we? What does the business do? What category of product does it sell? Is it a service business?
- b. What do we do and why do we do it? Why was the business started? What niche or gap in the market does it fill?
- c. What is the business philosophy? Mission statement?
- d. Who started the business? Who is involved in the business? What extra personnel will the business need?
- e. Where is it located? Where does it conduct business?
- f. What is the technology level?
- g. What is the price level (moderate or premium)?  
How do we make our money?
- h. What is the quality level? How do we ensure that good quality product is shipped to our customers?
- i. What are our strengths? What makes us stand out from the competition?
- j. Why are we offering this service? Are we sure there is a need? Is it an unmet need?
- k. What exactly is the specific niche we fill?

### 2. The Customers

- a. What image or position do we want our company to have with the customers?
- b. What is the market place? Is it defined in geographical terms or technological terms?
- c. Who are our customers? What do we know about them? How specifically can we describe them?
- d. What do we do to find out more about them?
- e. Who are our best potential customers and what do we know about them?
- f. In the future, who will be our customers? Why will they need us? Why will they want to do business with us? What do we want them to think of us? What will they think we can do for them?
- g. Are there any holes in the market? Are there customer needs not being met?
- h. Who will we be compared to? Why will we be different? How will we show this? How will we convince our potential customers of this?

### 3. The Competition

- a. Who is our head to head competition? Specifically?
- b. What are our competitors' strengths relative to us? Why will people do business with them instead of us? How can we counteract their strengths? Capitalize on their weaknesses?
- c. How will we be able to break in against longstanding suppliers?
- d. How are they winning business?
- e. What do they do that we don't do?
- f. What can we do better?

### 4. Selling

- a. How will we promote ourselves? Paid advertising? Direct sales force? Reps? How will people get to know about us?
- b. How will our selling be different from our competition?
- c. How can we encourage word of mouth??
- d. What will our marketing plan look like?
- e. Do we need to add to our literature?
- f. Should we have a newsletter? Articles in the trades? Mass faxing? What role should the Internet play?
- g. Do we have an easy way for our customers to talk to us?
- h. Who could refer potential customers to us?

### 5. Goals

- a. What are our goals as a business?
- b. Revenue goals?
- c. Customer satisfaction?
- d. Sales?
- e. Technology?

## II. Sales and Marketing Plan

1. Strategy: The basic direction the company will go in.
2. Marketing plan: How will we market our products?
3. Bookings growth: Key customer account plans; forecasts; tactics.
4. Marcom plan: Sales tools required. Communicating strategies to the rest of the team.
5. Managing the sales force: What will the sales force look like? How will we manage it? Compensation?
6. Partnerships/alliances: Who will we deal with to create more added value?

## III. Growth Goals

1. Where do we want to be in one year? In three? In five?
2. What will the company look like then?
3. What would you as the owner want to be doing in one year? In three? In five?
4. Will you still want to be involved, or will you be selling it?
5. Using the above information, write a description of Company in the future.

## IV. Executive Actions

1. Assign someone to compose the answers (and hence the plan).
2. Distribute to key players for review.
3. Set up another meeting to review and finalize.
4. Develop a series of action items and dates for plan execution.
5. Set up short monthly meetings to check the progress and revitalize the energy of the plan.