

BECOMING A CATEGORY OF ONE

**How Extraordinary Companies Transcend
Commodity and Defy Comparison**

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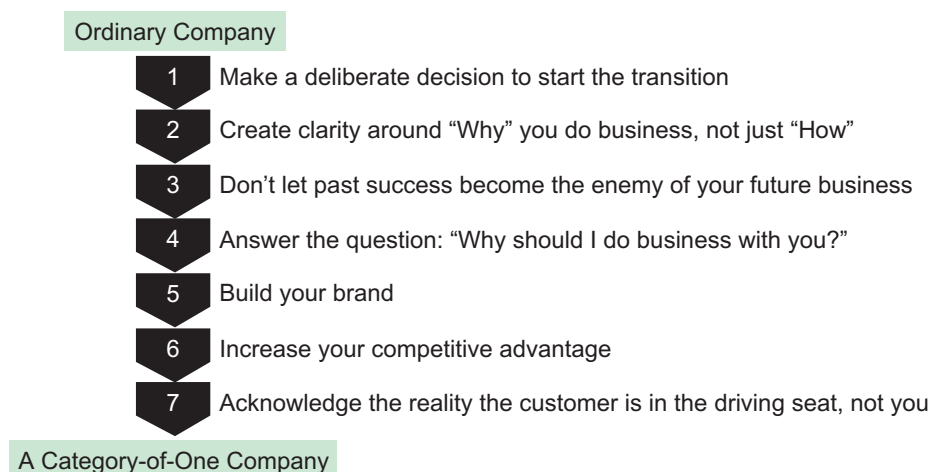
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MAIN IDEA

Instead of aspiring to lead your product category, create a new category and be the only one in it. That's the goal of true business differentiation. The very best way to win and keep customers today is to create compelling customer experiences. If you can do that, you place your company beyond the reach of price wars and into the realm of genuine competitive advantage.

There are seven steps involved in making the transition from being an ordinary company to a category of one dominance:



The goal, therefore, is to become extraordinary – to become a Category-of-One company by doing what no one else does. This is the only rational way you can lift your company out of the commodity trap and into the ranks of the high achievers. Don’t just try and compete in your industry – create and dominate your own unique business category.

Step 1 – Make a deliberate decision to start the transition Page 2

Most companies never make a definitive decision to become extraordinary. The first step on the journey is for someone to make a well defined decision to go and then for that commitment to take hold and become real rather than something theoretical or nice sounding.

Step 2 – Create clarity around “Why” you do business, not just “How” Page 3

Category-of-One companies have a definite sense of purpose. They understand why they are in business and not just what they do. This is important because that sense of purposes underpins and anchors the corporate culture.

Step 3 – Don’t let past success become the enemy of your future business Page 4

Every time you feel like you know how this business works because of your past successes, you run the risk of becoming complacent. To offset this, extraordinary companies create a sense of urgency in everything they do. This is prudent given the ongoing stream of changes occurring in the marketplace.

Step 4 – Answer the question: “Why should I do business with you?” Page 5

To stand out from your competitors, you have to create a superior customer experience. This is rarely achieved with low prices, technology or even a better product. Instead, true differentiation comes from your people and the way they make the customer feel when doing business with you.

Step 5 – Build your brand Page 6

Nothing is more important than your brand. To build the strong brand Category-of-One companies need and enjoy, do three things:

1. Understand who customers think you are.
2. Know what you promise in the marketplace.
3. Evaluate whether customers think you deliver.

Step 6 – Increase your competitive advantage. Page 7

Your competitive advantage will rise or fall depending on how well you do three basic things:

1. Know more about your customers than anyone else.
2. Get closer to your customers than anyone else.
3. Make an emotional connection with your customer.

Step 7 – Acknowledge the reality the customer is in the driving seat, not you Page 8

At one time, the seller held the upper hand. No more. Today’s customers love being in control, and know how to use that power. Category-of-One companies understand this reality of the marketplace and have adjusted to it accordingly, creating new opportunities to do more business.

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