

SmartBlogs on Leadership

Ever since Theodore Levitt wrote his groundbreaking paper “[Marketing Myopia](#),” business leaders have been asking themselves, “What business are we really in?”

The premise of the article — that organizations need to define their industries broadly to take advantage of growth opportunities and to offset emerging threats — makes sense. But it’s a difficult principle to implement because thinking broadly requires thinking differently. And redefining your business for some future unknown state can lead you down rabbit holes.

Instead of trying to take on the broad question of business scope, try a more focused approach. Your answers to three smaller questions will help paint the bigger picture of growth opportunities.

- 1. What’s your value proposition?** A value proposition is commonly thought of as an offer of some benefit that’s promised to a customer. But a more complete and illuminating understanding of your value proposition is the totality of what makes you valuable to customers. That means it’s less about a discrete product, specific service, or even any single benefit you deliver to customers — and more about what you enable your customers to do, feel or be. Spanx, the shapewear brand, has grown into a billion-dollar business and expanded into new categories because its leaders know real value of Spanx isn’t in the body-shaping ability of its products. The brand is valued by women because it helps them feel great about themselves.
- 2. Who’s your competition?** If you could know only one thing about your customers, it should be what other options they consider when they’re thinking of buying from you. Other options may be competitive brands, but, more often than not, customers are thinking of choices in different categories. That’s because people don’t look at the world through the lens of categories; they simply see ways to fulfill their wants and needs. Steve Eells has grown Chipotle Mexican Grill into a 1,300-unit chain not by trying to compete with other Mexican quickservice restaurants but by challenging customers’ fast-food and good-food options with a single concept.
- 3. What’s your unique competency?** Unlike a core competency, which is the central element of your operating model, your unique competency is the critical factor behind your competitive advantage — and it’s the basis for unconstrained growth. When you identify the essence of what you do that others can’t or don’t, it becomes easier to see how that unique competency can be applied in new ways. Although adventure outfitter REI does many things, the company’s unique competency is making outdoor adventures accessible. No other brand makes it easier for the novice to enjoy outdoor adventures. REI has applied this unique competency in its evolution from a maker of apparel and gear into a provider of experiences, education and services.

When considered under the revealing examination light of these three questions, your business scope is clarified — as are the opportunities and threats that deserve your attention.

Denise Lee Yohn has been inspiring and teaching companies how to operationalize their brand to expand their business for more than 20 years. World-class brands including Sony, Frito-Lay, Burger King and Nautica have called on Yohn, a brand-building expert, speaker and writer.

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