



"If you don't have a competitive advantage, don't compete."

– Jack Welch, former CEO of General Electric

It is Northern Lights Distributors LLC (NLD)'s belief that an organization's fundamental characteristics define the competitive advantage. The defining characteristics may be a single or a combination of culture, process and execution that magnifies an organization's Competitive Edge versus the competition. The "Edge" is that extra component which can make an organization shine.

FOUNDATIONAL CORNERSTONE

The "Competitive Edge" is the first cornerstone of distribution at NLD. Defining the "Edge" lays the ground work for the other cornerstones of distribution to create marketing resources, develop a distribution plan and drive activity.

COMPETITIVE EDGE - The defining characteristics that highlight an organization's competitive advantage

MARKETING RESOURCES - Content that supports sales activity and illustrates an organizations brand and highlights the Competitive Edge

DISTRIBUTION PLANNING - Target market analysis and sales strategy development

DISTRIBUTION ACTIVITY - Sales engagement to elevate brand awareness which may impact sales growth



DEFINING YOUR COMPETITIVE EDGE

Many books have been written on the competitive advantage. Researching the topic in the internet alone, brought up thousands of examples yet there was a common theme; the cost advantage and the differentiating advantage, both results of how an organization utilizes their core competencies and resources to provide quality services / benefits to their clients.

Building a successful business is often dependent on that one or two turnkey elements that give the business an Edge beyond what the competition may be able to provide.

RESOURCES

Technology
Patent / Trademarks
Proprietary intellectual capital
Firm or individual reputation
Brand recognition

COMPETENCIES

Innovation
Efficiencies
Quality

COST

Ability to charge less than the competition for driving the same or superior value

DIFFERENTIATOR

Provides benefits that exceed the competition



What's your Competitive Edge?



Why should a customer select your strategy over another investment manager?
What are the resources or competencies that provide you that Edge?

“...self-awareness is probably the most important thing towards being a champion.”

– Billie Jean King

DEVELOP YOUR COMPETITIVE EDGE

Self-assessment is key to success, run through the following exercise with your management team:

PRODUCT

Features / Potential benefits: What makes it distinct? Is it your style, quality or method?

PROCESSES

The processes employed are they replicable, sustainable, and tested? Do they evolve over time? Are they transparent?

PHILOSOPHY

What is the firm's guiding principles? The philosophy is the vision, value and mission that directs decision making.

VALUE DRIVERS

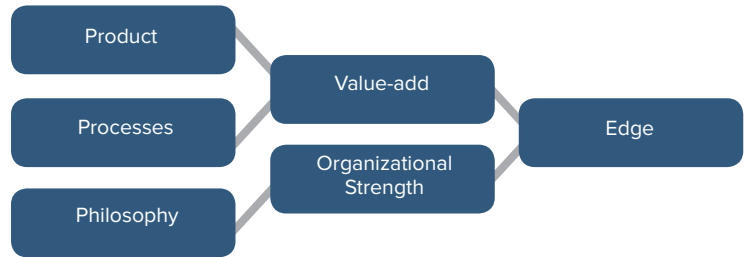
How do you drive value to your clients through your investments and outside of the investment portfolio? Do you provide additional value add such as intellectual capital, additional investment tools or practice management advice?

ORGANIZATIONAL

What is the expertise of the team? Do they have brand recognition? Do you have professional alliances that add to your expertise? How does your team engage?

EDGE

Defines your stand out value that is above your competitors.



RESOURCES

Michael E. Porter, Competitive Advantage: Creating and Sustaining Superior Performance
Cole Ehmke, M.S.

<http://www.valueaddedag.org/nichemarkets/05competitiveadvantage.pdf>

NEXT STEPS



● **DISCOVER** – Assess what resources and capabilities are unique to executing the investment strategy



● **PLAN** – Examine your Competitive Edge and create a S.W.O.T Analysis (strengths, weaknesses, opportunities and threats) to test your Edge against the competition



● **PREPARE** – Develop a strategy to set your investment services apart from the competition. Focus on what you are attempting to solve for your target market, your business goals and the organization's overall strengths and weaknesses



● **ACT** – Create a positioning statement, validate it and tell your story



NORTHERN LIGHTS
DISTRIBUTORS