

# Avoiding the Commoditization Trap

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## Richmond Chapter of the Virginia Society of CPAs

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# The Trap

*So just what is*  
***“Commoditization?”***

# Commoditization

Me Too

Price

Product

Service

Value Proposition Blindness

# The Answer

*So how do we avoid*  
***“Commoditization?”***

# The Hairdresser

*Intangibles = Value*

*Ribbon = Commodity*

# The Answer

On vs. In

Business Models

Blue Ocean Strategy

Brand Alignment

Experiences

# The Answer

*"ON" vs. "IN"*

# The Answer

## *Business Models*

# Business Models



*Trusted Advisor*

*Innovation*

*Operational Efficiency*

# The Answer

*Blue Ocean Strategy*

# Blue Ocean Strategy

***Eliminate***

Which of the factors that the industry takes for granted should be eliminated?

***Reduce***

Which factors should be reduced well below the industry's standard?

***Raise***

Which factors should be raised well above the industry's standard?

***Create***

Which factors should be created that the industry has never offered?

# The Answer

## *Brand Alignment*



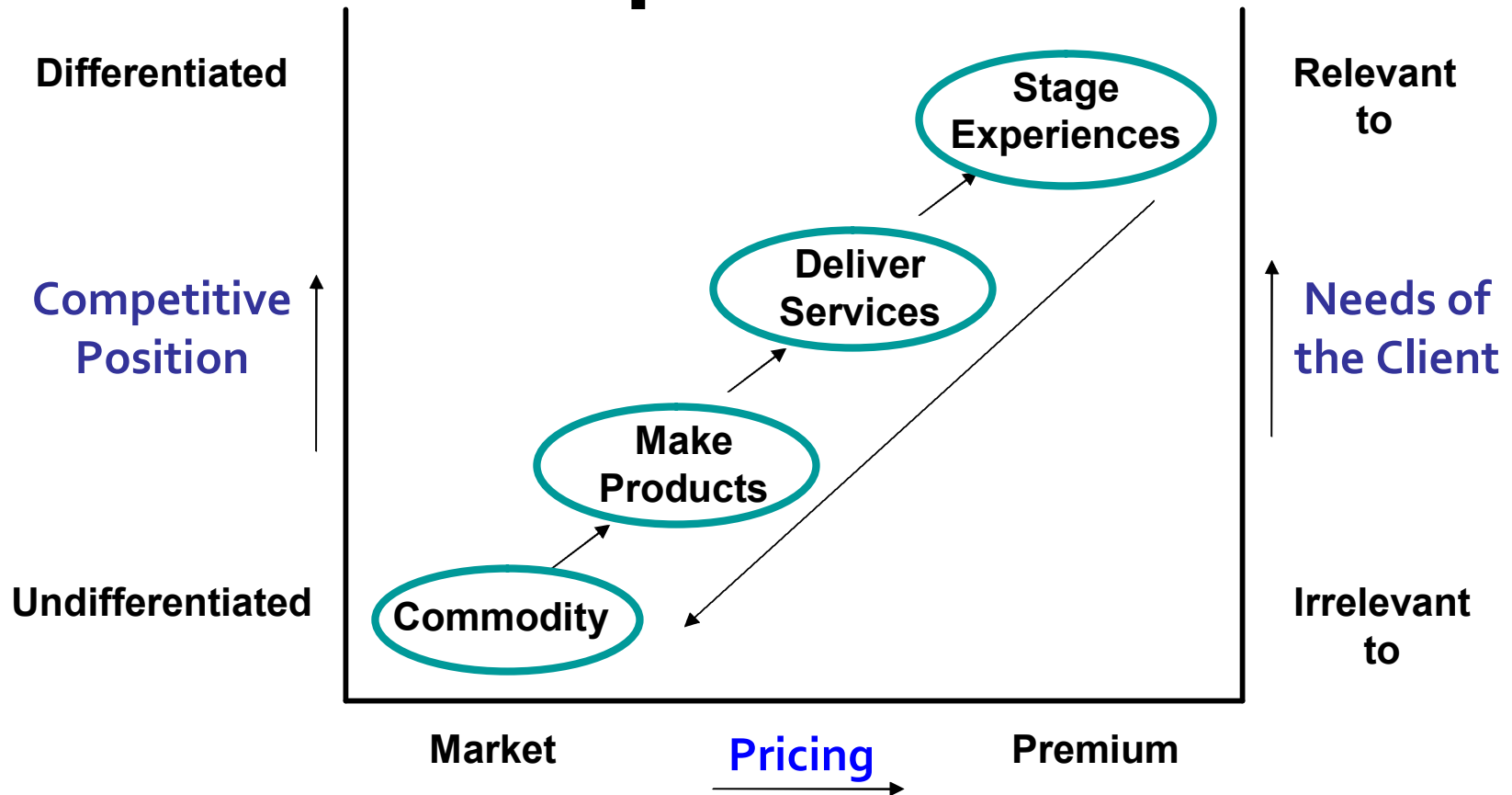
# Brand Alignment

- *Who/What do you want to be?*
- *Is that who you are?*
- *Who/What do your clients expect you to be?*
- *Does that match who/what you want to be?*

# The Answer

*Experiences*

# Experiences



From The Experience Economy, by Pine and Gilmore

# The Answer

## *Differentiation and Value*

On vs. In

Business Models

Blue Ocean Strategy

Brand Alignment

Experiences

# What do business-to-business decision makers value most?

Price, right?

Nope. A recent Accenture survey of 1,000 decision makers found that contrary to popular belief, **B-to-B buyers value a strong brand over any other factor ... including price.**