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To outgrow your competition, know your competition

Here's what you need to know about your competitors to win more customers.

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By Leo Pusateri

Editor's note: This column is an excerpt from the book, [*You Are the Value*](#), by Leo Pusateri.

I'm often told when I conduct sessions that I shouldn't spend much time talking about what makes my client's firm different from the competition. It often doesn't crystallize for clients until we do a follow-up program that understanding the competition is, in fact, very important when it comes to differentiating yourself.

At the next session, I ask the leaders questions such as, "What makes you different from XYZ & Company?" That's when the firm leaders see their talented staff members fumbling for answers.

CPAs need the language to answer this question with confidence. In 9 out of 10 cases, people will tell me that discussing the competition is a good dialogue to have within the firm because they need insights into the competition when talking to potential clients. Unless they attend a session like mine, however, firm leaders and staff will seldom actually discuss the issue.

Sometimes, the top leaders think that the staff already know all about the competition; in many cases, the partners themselves may not have even given a lot of thought to their competitors. If they have, they probably have not communicated their knowledge well to the staff or given them opportunities to understand how competition works and what it means to their firm.

What you need to know

Before you can answer all the questions about what makes you different from other firms, you of course need to know who they are and a little bit about them. If you work with high-net-worth individuals, for instance, your competition might not only be other CPA firms that offer this service but also non-CPA wealth managers or private banking professionals. If you know of other professionals managing money or providing other services to your clients, then they are also competitors and should be considered in your competitive analysis.

Just how much do you need to know about your competition? Enough to be conversationally proficient. In other words, you need to be able to look at your prospects when they ask you any questions about any of your core competitors and answer with such expertise that they will say to themselves, "This person really knows the business. She understands competitive options. I am dealing with a professional."

It's very important to speak respectfully about your core competitors. Never utter a negative word. You should be able to educate an interested prospect and tell him or her more than anyone else, informing him or her about the competitive alternatives just by sharing your knowledge. Doing that alone—being that well-informed and competent—immediately sets you apart, all other factors being equal.

You should do enough analysis to be knowledgeable, of course, but not so much that you paralyze yourself into worrying about how you stack up. Remember, the most important thing is to be an expert in discussing your own firm, your solutions, and yourself first.

Take a quiz

Give yourself this simple quiz:

- What are the main competitive differences between your two top CPA firm competitors in your own market?
- How is the law firm you work with different from another legal entity in your town?
- How is the bank you do business with different from any other in your city?

Makes you stop and think, doesn't it? When it comes to considering your own law firm or bank, you probably have many reasons for choosing a professional services firm or financial services option, but you might not have ever articulated them. Now, put yourself in your clients' shoes and begin to think about what makes you different.

The most important question is how your firm differs from whomever your prospect is asking about at the moment. Always remember that if your potential client is getting accounting or consulting services anywhere else, these firms are competitors, and they can encroach upon your business.

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