1. What is a simple USP?

Imagine that you want to buy a pair of mittens. All these shops sell mittens. Their products seem to be all alike, which one will you choose? The cheapest one, of course. When they’re all alike, you go for the price.

Here’s a new shop. Mittens in five colors! More expensive, but come one, five colours! Isn’t that awesome? And suddenly the price is less important.

The new shop has a USP, a *Unique Selling Point*; **unique** because the other shops don’t have it and a **selling point** because it is a benefit to customers. This is important, so I’ll take it again: A USP is a customer benefit that the competition can’t deliver. Everyone wants a USP.

A USP is obviously good for the shop because they will sell more, and their customers will focus less on price and be more loyal. It is also good for customers because they get more alternatives to choose from, and when one shop has a USP, the other shops will work hard to also improve *their* offers, which creates even more value for customers.

A simple USP is easy to communicate – everyone will remember the shop *FIVE* and why they bought mittens there.

So, USPs are great! But… it’s not quite so easy.

A simple USP is usually simple to **copy**. And as soon as the copies turn up, everyone is back to where they started with a price race to the bottom.

For us at NCAB, our competitors come in very different shapes. Having our own staff in factories can be unique compared to traders, but not compared to factories. Our local sale office is unique compared to factories, but not compared to traders.

And PCBs are definitely more complicated than mittens. It would be hard to find a simple feature that benefits **all** our very different customers.

So, we need another plan. To be explained in the next lesson.

1. What is a combined USP?

We want a USP that benefits our customers, is easy to communicate, and reduces the focus on price. Since, with PCBs, a simple USP is too hard to find and defend – we need a **combined** USP.

**Example:** These hotels have a beautiful view; these hotels have five-star restaurants, these have a gym. This is the only hotel that has all three, and it’s also the most expensive. Is it worth it? That depends on the customer. If the customer will not use the gym, maybe **this** hotel provides better value for the price. This hotel then has a ***combined USP***; a combination of benefits and price. For the sportsperson who eats his own granola in his room, it would be crazy to pay extra for access to a good restaurant. For the gym customer who very much *also* wants the view and the food, **this** hotel has a combined USP.

So, a combined USP is built from features that benefit a specific customer.

These features can be **more or less** unique – when you compare them **one by one** to other suppliers. But if we are practically alone in being able to **combine** them in ways that customers appreciate, *we* have a combined USP.

I’m sure you can see how the combined USP is more of a challenge to a salesperson. If you have 2-3 USPs, it’s still possible to just tell the customers about them. But in our more complex world of PCBs, our list of USPs has 100-something features. If we talk about them all, we bore our customers to death.

Instead, you must first figure out what customers value to know what USPs to present – HEED the NEED! The ***SPIN***-course gives good advice on how to do this.

So, creating a combined USP is not easy – but **amazingly** effective when you do it right. When you find a combined USP for a demanding customer, **they** get a unique offering tailored for their needs, **price** becomes less important, and it is **hard for competitors** to follow. All very good things.

Of course, it’s an advantage if your USPs are dramatically better than your competition. But there is also a challenge with that – the more dramatic the difference, the more skeptical the customer will be. Talk is cheap, so customers need a good reason to believe that a terrific USP is as good as it sounds.

For you as a salesperson, it means that when you claim a USP, you must also make it **believable**. If you mention something to illustrate your USP – a fact, or a detail – it shows that you know what you are talking about, and it helps the customer believe and **remember** your statement. There will be examples of this in the next lesson.

1. What are some NCAB USPs?

Example: If a customer wonders if we have **good factories**, you can say:

*“Sure, we have great factories, trust me.”*

This is not likely to build trust, even if it’s true. Very unfair, but that’s how it is. Instead, you can use specific examples of how selective and diligent we are:

* “The full NCAB sourcing process takes about 52 weeks; it is very thorough.”
* “Our people approve specific equipment in key processes to be sure that our quality demands are met.”
* “Which criteria do **you** want to set up for your project?”

When we say “Our 23 factories”, we mean that we know **exactly** what they can do.

Another example: If a customer believes that “**everybody has a Factory Management**”, you can say:

*“Yes, but our people are much better, for sure.”*

This is not convincing, even if it’s true. Instead, you can use facts that show how deeply involved our Factory Management are with our factories:

* “Our factories have dedicated teams, selected by us but employed by the factory. Each team member receives **40 hours** of extra training every year.”
* “We have our own staff working and living in the factories.”
* “We have 78 people on our FM team in China and 11 in Taiwan.”
* “What would **you** want them to do on your project?”

When we say “our Factory Management”, we mean people who are out there, on the floor, when your PCBs are produced. Proactive quality control, finding errors *before* they impact delivery precision.

Another example: If a customer complains that “**we never get any information**, so we don’t know if there is a problem until the delivery date has passed”, you can say:

*“No problem, we’ll deliver on time.”*

But that won’t calm the customer, even if it’s true. Instead, you can let them follow the process:

* “Our factories are directly integrated into our systems, and our system ‘flags’ if your production is not on track.”
* “We get daily updates on where your products are in the production process.”
* “How often do **you** want to be in the loop?”

**General statements have very little selling power.** All suppliers say the same things, and the customer can’t know what’s true until after the products have been delivered. A very specific example indicates that you are not just saying what they want to hear. Asking a question helps the customer see the benefits this feature could bring for them, and indicates how transparent we are.

If a customer has voiced a need and you reply with a specific USP, it’s worth ***so*** much more than if you throw random USPs at them. Wait for the need!

1. More NCAB USPs

You know your customers better than anybody. What do they need? Our suggestion is that you build a collection of NCAB’s USPs that you like to talk about, with specific examples that make them credible. Then, when preparing for warm call or a meeting with a prospect or customer, you have a list to pick from – what could be relevant for this customer? Make it easy for yourself!

Let’s do some more examples.

If the customer worries about **increasing demands of** **Corporate Social Responsibility** (CSR), you can say:

*“We get those too, they are a pain!”*

But that won’t impress on anyone. Instead, you can say:

* “We follow the CMRT (Conflict Mineral Report Template), checking with our factories about their suppliers and that the smelters are on the conformance list of RMI (Responsible Mineral Initiative).”
* “We monitor factory workers’ conditions, even down to checking the standard of dormitories and that insurances are payed.”
* “We are an ISO 26000 company, and the level of our sustainability work is unique in our business.”
* “Would you like to attend one of our sustainability seminars?”

If **delays in delivery** would be a disaster for the customer, you can say:

*“I wouldn’t worry about that if I were you.”*

But that will most likely make things worse. Instead, you can say:

* “We have people in the factories working proactively to keep production on schedule.”
* “We deliver PCBs to a value of 190 million US dollars every year, so when we place an order in a factory, it gets their attention. All of our orders are treated with the highest priority.”
* “Since we have 23 factories, we always have several options for the same technology.”
* “Would you like to look into multi-sourcing on your project?”

If the customer claims that **everyone has the same quality**, you can say:

*“Are you kidding?”*

... and this time maybe you should, but you could also say:

* “We believe that our quality level is quite unique. We report on it monthly, and we have been consistently above 99% since 2015.”
* “We do four types of audits in our factories; of processes (monthly), pre-production (yearly), quality (yearly, takes three days), and sustainability (bi-yearly).”
* “The NCAB PCB specification goes beyond the IPC standard on several points, such as specific solder mask thicknesses and not allowing repairs of broken circuits.”
* “Which quality requirements do you have?”

4b. The price

So, specific details make it easier for customers to believe and remember our USPs.

But then there is always the price-discussion. When customers want to push the price down, they want to **avoid** talking about specifics. They want to make general statements, such as: “You guys are **always** more expensive than **everybody** else.” But on a general level, if we lower the price it cuts into our margin, which is a terrible thing. So: **Don’t discuss price on a general level.**

A price is built up from specific details, such as every step we take to ensure quality. It’s from the specifics that our **costs** appear, and **value** is created for the customer.
If a customer needs a lower price, we can help them by making trade-offs (a longer lead-time, for example, or something else that reduces our costs). But to find good trade-offs, we have to stay on a **very specific level** - the conditions in this RFQ.
When we tie all price-reductions to trade-offs, we can lower the price without losing money, which is a great thing.

When customers challenge our price, they often refer to our competitors. And sometimes, a competitor offers a lower price because they have made trade-offs that we could also make. So: **Find out what you are competing against.** Some examples:

If the customer claims that NCAB’s competitors sell the same products for 20% less, you can say “They’ll all go bankrupt if they keep doing that”, but that may not win the debate. Instead, you can get into the specifics by **asking** **questions** such as:

* Interesting! Let’s go through the technical specifications and see if they are the same.
And from there you can go on asking if they allow X-outs, what other quality requirements they have, and what materials have been quoted (Tg, soldermask, etc). Or you can say:
* Interesting! How are they meeting your needs in this RFQ?
And from there you can ask about specifics like the delivery time, if tooling costs are included, what record the other firm has on delivering on time, handling claims, etc. Or you can say:
* Interesting! What demands are put on their factories in terms of environment, health, and safety?
And then you can watch them get uncomfortable when they can’t answer questions like what kind of audits the others conduct, how chemicals are stored and handled in production, how they manage wastewater and air emission, if they report on conflict minerals according to RMI, and if they follow local regulations on overtime work, minimum wages, insurance payments, and how gaps are handled…

But in a nice way, of course.
1. Customer benefits

In previous chapters, we have talked about features and benefits. You probably remember from Howard’s SPIN-course, that **features** are facts about NCAB and **benefits** answer the question “What’s in it for the customer?”. The answer to this important question is usually “It lowers the customer’s total cost.”

The PCB itself is only a small part of the customer’s total cost. But when we deliver PCBs, or fail to do it right, we have a big impact on the customer’s business results – such as the cost of design and production, and the quality of the finished product. When customers see this bigger picture, they become more interested in quality, which makes our USPs more attractive.

To us, it may be obvious how our USPs will help bring the customer’s total cost down, but the buyers we’re dealing with may be so focused on the price that they forget the bigger picture. Therefore, it is important that we help customers make the connection between the USP and their total cost.

NCAB’s USPs basically fall into three categories: Purchasing power; Customer presence; Factory presence.

* **Purchasing power**
Our purchasing power gives us the opportunity to be strict with demands and to get our factories’ attention. For many of our factories we are one of their biggest customers. So, our purchasing power has an indirect impact on costs. It also has the very direct impact of getting the best possible terms.
* **Customer presence**
When we work close to the customer, we can make their design and purchasing process smoother. Even more important is if we can help them improve PCB-designs, which can sometimes reduce the PCB-cost by half. We have more than 120 technicians employed for this task – most of them local for easy communication with customers’ technicians. In our experience, 30% of RFQs have mistakes, and catching these mistakes early is a huge saver of time, money and pain.
* **Factory presence**
It is in the factories we make sure we keep our promises. When we deliver on time with zero defects, the customer can proceed as planned without disruption. In addition to saving money, our reliability reduces agony and allows customers to focus on the positive matters such as growing their business, which probably saves them even more money.

Customers will accept a higher price if it makes **sense** for them. They will also need to motivate to their colleagues (and to themselves) why they pay more. Use the USPs to give them some good reasons.

1. In the elevator

We badmouth Spray-and-Pray here, since HEED-the-NEED is so much better. But sometimes you do have to tell someone what NCAB does, and it would be silly to insist on going through a SPIN-process before you answer.

The expression “elevator pitch” reminds us to keep it short – short enough to say while riding an elevator with someone. When we don’t know what the customer needs, listing USPs is a waste of time, so all you can do is say something short that could stir some curiosity: “The number-1 PCB producer in the world”, for example. If you make an overt claim, or even an outrageous one, you will get their attention. And make sure you have some specific information to back up your opening statement. If you have a little more time, you can mention some of NCAB’s USPs.

Again: general statements have little selling power. Credibility is built by specific examples.

We now hope that you know the answer to three important questions:

**What is a USP?** A USP is a Unique Selling Point. In NCAB, we favor a combined USP, because it gives us the flexibility to target different customers’ preferences, and it is easier to defend against competition.

**What does it do?** When you ask for a higher price, you have to be good at explaining **why** the customer should want to pay more – that is what the USP does. And remember that the customers will have to motivate to their colleagues why they chose a supplier who didn’t offer the lowest price. Make it easy for them to explain why buying from NCAB reduces their company’s total cost.

**What should you do?** Make sure you have chosen USPs that are relevant for **this** customer.

And finally: Your job is to make sure that as many customers as possible can enjoy the benefits of NCAB’s USPs. That’s a fine job – go out there and improve the world!