

Startup positioning statements

Startups typically dedicate significant effort to developing a positioning statement for their products (and if not, this is something to immediately add to the to-do list!)

This is a tremendously useful exercise to help the team clarify their thoughts around their target customers, unique capabilities, and how they are different from the other offerings in the market.

It can also be highly useful for the founders to develop a positioning statement for the startup itself. As well as being a helpful thought exercise, it provides a useful framework for introducing the startup to potential acquirers.

There are some differences between a product and a company positioning statement. As well as the information mentioned above, it is also important to reflect the startup's current scale and give some indication of progress for the company positioning.

These are two helpful data points that will help outsiders categorize the startup as often they are not evident from glancing at the startup's website. It is also useful to mention by name the key competitor as this provides a helpful short-cut to orientate the startups positioning.

To craft this positioning statement, the founders need to clearly identify the startup's:

- Size/stage
- Mission
- Target customers
- Unique capability
- Customer pain-point
- Key competitor
- Competitive differentiator
- Traction indicator

A template for crafting the positioning statement is then.

[Startup name] is a ***[size/stage]*** startup that ***[state mission]***. They use ***[unique capability]*** to address ***[customer pain point]*** for ***[target customers]***. Unlike the alternatives like ***[key competitor]***, ***[startup name]*** ***[state competitive differentiator]*** and currently has ***[traction indicator]***.

Example 1

Alpha.Com is a 20-person startup that wants to make equipment purchasing effortless. They have developed a patent-pending algorithm to identify anomalies in equipment pricing for large

manufacturing companies. Unlike alternatives like omega.com, alpha.com provides an intuitive visualization of the data and currently has over 70 customers.

Example 2

Beta.com is a Series B company that wants to make aircraft repair as efficient as possible. Using the founder's network, they have created a marketplace for replacement parts that make it cheaper and quicker for customers in the aviation industry to get their planes repaired. Unlike alternatives like psi.com, beta.com provides also enables part delivery and currently processes upwards of 10,000 transactions per month.

Example 3

Gamma.com is a seed-stage company that will make the deployment of IoT apps 10x quicker. They have leveraged the founder's decades of collective industry experience to create an IoT platform that reduces the development effort to deploy apps on multiple devices. Unlike alternatives like chi.com, gamma.com offers a device-agnostic platform, which, to date, has been used by 50 developers to deploy over 120 commercial apps.

There is a common hack, or recognized short cut, to positioning a startup. That is to present the startup as "the ***[other startup]*** for ***[different market]***."

For example, "Zeta.com is the uber for the dry-cleaning market."

While this can be a useful shorthand, I feel it is overdone today. Most importantly, if the comparison isn't a direct one, this shorthand can confuse rather than clarify the startup's positioning.

If you use this hack, do so sparingly and make sure the comparison is valid.