DEFINING OUTPOSITION

Winning by choosing a position your competitors cannot take

Walk into any market and you will find companies competing the same way. They sell similar products, target the same customers, make similar promises, and fight over the same ground. They benchmark each other, copy each other, and slowly converge until the only thing left to argue about is price. This is the natural gravitational pull of every industry: toward sameness.

OutPosition is the opposite instinct. It is the discipline of refusing to compete on someone else's terms, and instead choosing a position in the market—and in the customer's mind—that plays to your unique strengths and that competitors cannot credibly take from you.

OutPosition is the central idea of this book. Everything we have explored—what strategy is, what good strategy looks like, how to choose it, and how to build advantage and differentiation—comes together in a single question:

How do you choose a strategy so differentiated, and so well-matched to your strengths, that you occupy a clear position customers prefer and competitors cannot follow you into?

That is what it means to OutPosition the competition.

A Definition

OutPosition is the act of choosing a differentiated strategy, built on your unique strengths, that earns a clear position in the mind of the customer and allows you to win in the market.

Notice what the word does. To *outrun* someone is to be faster on the same track. To *outspend* is to bring more money to the same fight. But to *OutPosition* is to refuse the track and the fight altogether—to choose different ground where your strengths matter most and your competitor's strengths matter least.

It is not about being better. It is about being different in a way that is valuable, defensible, and clear. Being better is a race. Being positioned is an asset.

"Don't compete to be the best, compete to be unique." Michael Porter's instruction is the seed of the entire idea. OutPosition is what that instruction looks like when it is turned into a deliberate strategic choice and executed across the whole organization.

OutPosition Brings Three Ideas Together

Throughout this book we have treated strategy, differentiation, and positioning as distinct concepts—because they are. OutPosition is the idea that they only create value when they work as one system.

- **Strategy** is the internal choice: where you will play, how you will win, and what you will refuse to do. It is grounded in your unique capabilities.
- **Differentiation** is the meaningful difference that choice creates—something customers can perceive, value, and reward.
- **Positioning** is the place that difference occupies in the customer's mind, relative to the alternatives.

When these three are aligned, you OutPosition the market. When they are not—when the strategy says one thing, the product delivers another, and the marketing claims a third—the customer feels the disconnect, and the position collapses. OutPosition is the demand that all three reinforce the same idea.

Why "Better" Is a Trap

The most common strategic mistake is to enter a market intending to do what the leader does, only better. It feels safe. The market is proven, the customers are identified, the value proposition is validated. All you have to do is execute more effectively.

The problem is that the leader already owns the position. McDonald's owns the burger. When you arrive claiming a slightly better burger, you are not building a position—you are renting space in a position someone else owns, and paying rent in the form of lower prices, higher marketing spend, and customer skepticism.

Burger King understood this. It did not try to win the burger war on McDonald's terms. It defined a new space it could credibly own: the *grilled* burger, flame-broiled rather than fried. Whether or not grilling makes a better burger is almost beside the point. Burger King created a mental category where it, not McDonald's, was the natural leader. That is OutPositioning—and notably, the company's later drift to vaguer ideas like "Have it Your Way" weakened exactly the advantage it had built.

Execution excellence applied to an undifferentiated position simply accelerates commoditization. You get very good at competing in a fight you were never going to win.

OutPosition in Practice

The strongest examples in this book are not the companies that fought hardest. They are the companies that chose ground where they could not be matched.

Apple did not build a better PC

When Steve Jobs returned to Apple in 1997, the company was nearly bankrupt. He did not respond by building a faster, cheaper computer to out-compete Dell and Compaq on their terms. He narrowed the line to four products, bet on a modern platform, and repositioned Apple from a computer company into a cultural icon for creators and original thinkers. Apple stopped competing on features, price, and specifications—the very ground its rivals dominated—and chose a position none of them could credibly occupy.

Southwest did not become a better airline

Southwest gave up first-class seats, meals, assigned seating, and international routes. On the dimensions other airlines competed on, Southwest deliberately chose to be worse. In exchange, it owned a position no legacy carrier could take without dismantling its own business model: low-cost, efficient, genuinely fun air travel, delivered through a tightly integrated system of single-model fleets, fast turnarounds, and point-to-point routes. When a customer complained about the missing first-class cabin, Herb Kelleher's reply—"We will miss you"—was not rudeness. It was strategic clarity. Southwest knew exactly which position it owned and which customers belonged to someone else.

T-Mobile did not out-network the giants

For years T-Mobile sat in third place behind AT&T and Verizon, with no realistic path to beating them on coverage—their strongest ground. In 2013 it stopped trying. The "Un-carrier" strategy attacked everything customers hated about wireless: contracts, fees, and complexity. It chose a position the incumbents could not easily copy, because copying it meant giving up the contract revenue their models depended on. T-Mobile forced the giants to play catch-up on T-Mobile's chosen ground.

Specialists OutPosition by going deep

OutPositioning is not only for challengers reframing whole categories. A specialist OutPositions by going so deep into a narrow segment that the large players choose not to follow. Panasonic Toughbook owns ruggedized laptops for the field, military, and public safety—a position mainstream manufacturers cannot profitably pursue because their economics depend on volume and rapid refresh. The specialist wins not by serving everyone better, but by serving a defined few so well that scale players decline to compete. Focus itself becomes the moat.

What Makes a Position One You Can Hold

Any company can declare a position. The question is whether it holds when a competitor pushes on it. A position you can OutPosition with is one that meets four tests, each of which appears throughout this book in different forms:

- **It is valuable.** Customers care about the difference and will reward it with preference, loyalty, or price. Being different is not enough; the difference must matter.
- **It is unique.** Apply the substitution test: replace your name with a competitor's. If the claim still sounds believable, you have not found a position—you have found a slogan everyone shares.
- **It is rooted in your strengths.** The position must be reinforced by capabilities, systems, and a value chain that are genuinely yours. A position you cannot deliver is a promise without proof, and the gap eventually shows.
- **It is clear.** It can be said in one sentence, repeated by every employee, and recognized by every customer. Differentiation that requires a long explanation is differentiation customers cannot carry in their heads.

A position that passes these tests does more than win a sale. It compounds. Each year of focused execution deepens the advantage and widens the distance from competitors, until what began as a choice becomes a moat.

OutPosition Requires Giving Things Up

The reason most companies never OutPosition anyone is that OutPositioning requires sacrifice, and sacrifice is uncomfortable.

To own a position, you must give up the positions next to it. BMW gives up the buyers for whom fuel efficiency or maximum safety matters most. Southwest gives up the premium traveler who pays more per seat. A specialist gives up the broad market entirely. These are not failures of ambition—they are the price of ownership. You cannot occupy a clear position in the customer's mind while also trying to occupy every other one. Brands that chase every attribute end up owning none.

This is why companies drift. Growth pressure tempts them to add adjacent products, chase new segments, and soften the very trade-offs that made them distinctive. Rackspace abandoned Fanatical Support to chase "open cloud," then "hybrid cloud," then "performance"—none of which it could credibly own—before returning, late, to the position that had been its alone. Bazaarvoice diluted a category-leading position through acquisitions that pulled it onto ground it did not own. In both cases the lesson is the same: **when you abandon your position, you abandon your advantage.**

The OutPosition Question

Strategy, at its core, is a single decision repeated with discipline: choose the ground where you can win, and refuse to fight anywhere else. Philip of Macedon won at Chaeronea not by overpowering a stronger coalition, but by choosing the exact point where its cohesion would break and forcing the battle there. Good strategy does not seek total superiority. It seeks decisive advantage at the point that matters most.

Before you commit your organization to a direction, ask the OutPosition question:

Is our strategy so differentiated, so rooted in our unique strengths, and so clearly understood by customers that competitors cannot credibly take our position—and is it valuable enough that customers will choose us for it?

If the answer is yes, you have a strategy. If the answer is no—if a competitor could make the same claim with a straight face, or if the position rests on strengths you do not actually have—then what you have is a hope, dressed up as a plan.

You do not win by being better at the same game. You win by changing the game to one you are built to win. That is OutPosition.