



## The CEO Challenge for January 2010

# Thought Leadership is a Business Strategy

Last month, Jane wrote about the [courage to create a brand](#), and boy, the word “courage” struck an interesting chord within our community. Branding involves making a difficult choice to go after a niche market with laser focus in order to differentiate your business from your myriads of competitors. (Even if you think you don’t have a lot of competition, you do -- more than ever.) That focus means turning down business that isn’t on strategy. Difficult? Yes. Courageous? Absolutely.

This month, I’m intrigued by a similar concept: “thought leadership.” A lot of companies bandy about the word “thought leader” as if it’s a marketing tactic, but many others aren’t familiar with the concept or the strategic benefits that come with it.

The cold reality is that thought leadership is much harder than it appears. It isn’t a marketing campaign; it’s a long-term business strategy. In this month’s CEO Challenge, I’ll outline what the concept really means, the benefits, and how your company – if you’re courageous enough – can implement this strategy in 2010.

## WHAT IS THOUGHT LEADERSHIP AND WHY IS IT VALUABLE?

When I talk with companies about thought leadership, they sometimes tell me that “yes, we’re doing that.” They point to their shiny new blog, their Twitter account, their webinar series, their Facebook group. However, any company can implement these kinds of marketing programs, but that doesn’t mean the company is a thought leader. They’re confusing communication tools with strategy.

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The monthly CEO Challenge is published by The Revenue Game, a revenue consultancy that helps clients generate predictable, profitable growth. To get in touch with us directly, please contact Jane Adamson, CEO, at (866) 356-8979 or [janeadamson@therevenuegame.com](mailto:janeadamson@therevenuegame.com).

Instead, thought leadership is a long-term business strategy that drives everything the organization does each day and at all levels. A thought leader is an innovator in a very specific niche, and customers in that niche recognize, value, and – most importantly -- are willing to pay for that innovation, that leadership position.

Many companies that launch new products and services have truly high value solutions. They pride themselves for delivering great value, and they heap services, support and options into their offering. They're proactive in sharing knowledge, opportunities and choices. They believe they're a thought leader because they're delivering innovation and value.

Yet somehow they find themselves competing with low-cost providers, and they can't charge what they believe their solutions are worth. The problem is that these companies aren't thought leaders because the market isn't following; prospects and customers don't consistently recognize or understand the value.

True thought leaders can demand substantial price premiums for their solutions because they can clearly articulate a compelling value proposition for a very specific market niche. They also enjoy shorter sales cycles, greater repeat business, and strategic opportunities that their competitors miss.

## YOU MUST CONSISTENTLY LEAD

If a company delivers value in a stealth way that the market doesn't clearly understand or value, that company isn't a thought leader. Why? They have to actually **be a leader**.

Leadership means a company has followers who recognize and take action toward their intended results. It means the company is absolutely recognized and respected as THE LEADER in a specific niche. It's not something a company just suddenly decides to do and then implements during a short campaign. It's a core business strategy that the organization implements at all levels and over many years.

A lot of companies aren't prepared to make that kind of commitment. Some executives aren't comfortable getting in front of their industry on a regular basis. Or they think it's more important to focus on internal issues rather than creating an external voice and face for the organization's vision and values.

These companies should not even think about the words "thought leadership" because they don't have the tools to do it successfully.

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In addition, some CEOs worry that, by consistently and loudly sharing their vision and value, they'll invite competition. And they're right. That's why thought leadership isn't short term, and very few companies can do it because they don't have a sustainable, meaningful competitive advantage that is differentiated and defensible. They also need to commit to continuous innovation so that when copycats show up, they're always a step or two ahead.

That's why thought leadership is a business strategy, not a campaign. It's a commitment to innovation and sustainable competitive advantage over the long term. It's also a major commitment to consistently communicate that innovation in a way that creates followers who are willing to pay for that innovation.

## SOLUTION

Thought leadership is incredibly important for companies that are launching new products and services, particularly those aimed at early adopters. It creates differentiation and changes the way the market views solutions. Yet unfortunately, I've found that very few B2B or small/midsize companies have the guts to create a brand strategy (see our [December post](#)), let alone make a long-term commitment to thought leadership.

If your company is truly ready to commit to thought leadership as a business strategy, here's a high-level action plan to get you started.

## ACTION PLAN

### 1. Define the niche for which you can reasonably be THE thought leader.

It may be near impossible to become a thought leader for your entire industry, but you can be the thought leader for a very small, highly targeted niche – for example, a specific geography, customer need, or application. You have to deeply understand the needs of your niche and how they will assess the value that your solution provides.

### 2. Develop a **brand strategy** and be ready to stick to it.

If you don't have the guts to turn down business that isn't consistent with your brand strategy, then you can't possibly become the thought leader in your space.

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### 3. Define a leadership roadmap.

How will you show leadership in your niche? It takes time and effort to become recognized as a leader. Create a roadmap that outlines all of the leadership opportunities you will pursue over the years ahead. For example, are there conferences for which you could deliver a keynote address? Publications in which you would need to be featured regularly? Committees that you can lead?

### 4. Develop your thought platform.

You'll need a compelling vision, stories, data, and market insight to be respected and recognized as a thought leader. You have to tell the world and your prospective customers that you are the go-to firm. Your thought platform should show deep knowledge of where your industry has been, the problems your customers face, and where you are collectively going. You'll also need to create intriguing communications vehicles to share these stories and vision – speeches to industry, conference proposals, events, media materials, publishable articles, intellectual property, best practices libraries, your own communications platform, etc.

### 5. Get your organization aligned.

I can't stress enough how important this step is. Many – perhaps most – companies have a chasm between cost functions (operations, finance) and customer acquisition (sales, marketing). Your senior team needs to align and lead those functions to execute on your brand and thought leadership position each day. Failure to align an organization is a failure of executive leadership and thought leaders are NOT in chaos!

### 6. Find the right executive.

Here's the reason so many companies don't successfully achieve thought leader status – they assign this role to a midlevel communications person or to an executive that isn't comfortable playing such a public role (or who is too busy with internal initiatives to get out there and lead the industry). A thought leader must have deep experience and industry contacts along with a public persona and job description to lead your niche. The rest of your executive team needs to be fully engaged and able to contribute as well – thought leadership has to be part of your culture.

### 7. Define your metrics.

Naturally, you need to know that this strategy is working. The first set of metrics should involve revenue, pricing and profit margins; you need to know that customers are buying from you based on pricing that reflects the value you deliver. The second set of metrics should track evidence of followership. For example, do journalists call you to comment on news or industry trends? Are you invited to speak at important conferences? Do prospective partners, customers, or funding sources reach out to you rather than vice versa? Do employees want to work for you because they view you as the leader? These metrics

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might be hard to track, but do it anyway – you’ll evolve your figures over time, and they’ll help you establish your progress.

## CONCLUSION

True thought leaders position themselves as THE source of best practices, language, and metrics for their chosen market niche. When they lead the niche in this way, competitors have to adjust and meet the rules and standards the thought leader has established. What a great competitive position!

In reality, few companies have the discipline and stamina to commit to thought leadership as a business strategy. Those that don’t won’t succeed. Those who are successful, however, can command higher prices, enjoy shorter sales cycles, and operate from a leadership position in their niches.

### What do you think?

**Please share your thoughts and experiences with us here!**

<http://www.therevenuegame.com/ceochallenge/1/thoughtleadership/>

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We also invite you to contact Jane Adamson, CEO, at (866) 356-8979 or [janeadamson@therevenuegame.com](mailto:janeadamson@therevenuegame.com).



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