



By Stan Pohmer

Ideas are powerful and have the power to change the way we think and approach things.

The nonprofit Sapling Foundation was established with an understanding of this power and the challenge in the limitations of communicating new ideas — with the goal of enacting positive change through those ideas. This led to the creation of TED ([www.ted.com](http://www.ted.com)), an organization devoted to identifying “ideas worth spreading,” which then hosts conferences and events to share them. TED has developed an online library of more than 600 idea presentations, and TED encourages authors, educators, business leaders, speakers and anyone who has a new idea or approach to submit a video, where it can spread quickly to a wide audience. Check this site out to see what they have to offer.

# Why, How and What

*Here's an idea worth spreading: Customer relationships based on shared values are far more powerful than any new product or merchandising strategy!*

I recently viewed an 18-minute presentation on the TED site by Simon Sinek, a leadership expert and author of *Start With Why*. Through a series of case studies and examples, Sinek builds a foundation to support his position that successful companies are those that share a common trait or truth that sets them apart from their competition, a difference in their core values that evidences itself in the way they approach and relate to their customers.

In past columns, we've discussed the need for locally owned garden centers to develop relationships with their customers, both to gain a loyal customer base and establish a competitive advantage. Sinek's comments and thoughts support this and offer some examples that other companies have followed (or not followed).

Core to his thinking is the premise that shared inspiration is essential to changing behavior: People relate to those who share the same values and beliefs. Too often, as retailers or suppliers, we rely on the products to create relationships instead of using inspiration and shared values as the basis for establishing these relationships.

## The Golden Circle

Sinek proposes that people are guided by what he calls the Golden Circle, which is made up of three concentric circles: “why,” “how” and “what,” with “what” being the outermost circle. The majority of companies focus on and communicate *what* they do, from the products they offer to their price points. Companies next focus on *how* they do it: the store and shopping environments, the operational side of the business. And lastly, they explain the *why*: the unique core values that people can relate to. For the most part, there are limited opportunities to differentiate your company from your competition based on your “what”: Your competitors already carry most of the products you offer, too. There is somewhat more opportunity to differentiate your operation based on your “how”: your merchandise presentation and displays, facilities, customer service.

But the greatest opportunity for differentiation that can lead to stronger loyalty and relationships is in your “why”: the values you share with your customers.

## “A-Ha!”

The example that Sinek presented that served as my “A-Ha! moment” — where I started to understand his thought process — was in the computer category. I hope I can illustrate the differences using the following comparison in approach and positioning.

HP/Compaq (or Toshiba, or Sony, or Dell) manufactures computers with great features and technical capabilities (the “what”). HP/Compaq offers their products conveniently both online and in multiple retail channels (the “how”). And the primary goal of HP/Compaq is to make a profit and build their market share to leverage their production and distribution costs (the “why”). This example follows the traditional circle model, starting with the outer ring and working in to the core.

Apple inspires customers with the vision of life-changing innovations that do things no other company has thought of yet. These products improve your everyday activities, making them easier and more customizable, and positioning you as an innovator and being creative

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for being associated with the Apple dream (the “why”). Apple achieves this through breakthrough technology; radical, ergonomically designed products in vivid colors; and a new process of application development that offers users unlimited possibilities to customize their product use (the “how”). Apple manufactures computers (the “what”). The Apple model puts “why” at the center of the circle.

Both HP/Compaq and Apple are successful companies that make good computers. But which one has best created a loyal following and personal relationship with its customers? Which one inspires those who share its beliefs and core values, as evidenced by customers who stand in line for six hours to be the first ones to buy a product? (Even though they’ve never seen it before and have no idea exactly *what* it does? Even though they know that there are bugs in it and that it will be obsolete within six months because new, improved models are already on their way? Even though they paid \$700 knowing full well that the improved models will sell for 40 percent less, just to have the privilege of being perceived as an innovator and a first adopter of new technology?)

PC users have little brand loyalty and will switch brands based on price and features; Mac users are rabidly loyal and wouldn’t switch to a PC even if Hell froze over! (Full disclosure: I’m typing this column on a PC that I just purchased based on features and price.)

Watch Sinek’s presentation on TED’s website: <http://bit.ly/sinek-ted>

### Create Relationships

This is the “power of why” that Sinek puts forth: People buy why you do it, not how you do it or what you sell. People buy from people and companies who believe in the same things they believe in.

I think you’ll agree that creating relationships with your customers is the most powerful point of differentiation you ever have versus your competition. How you create these relationships is a choice you alone can make for your company. Whatever you decide will require commitment from your entire team to the point where it becomes cultural, a part of your corporate DNA. It will require consistency to build and communicate your strength of conviction to your customers, to build the believability in your image and brand.

Why to how to what? Or what to how to why?

Both approaches have their place in the market, but which one will work best for you?

Mac or PC? Which do you want to be? The decision is yours... 🌸

Stan Pohmer is president of Pohmer Consulting Group in Minnetonka, Minn. He can be reached at [spohmer@pohmer-consulting.com](mailto:spohmer@pohmer-consulting.com) or 952.545.7943.

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