



# The Great Escape... Essential Strategies to Win the Battle Against Commoditization

By: F. Scott Addis, CPCU, CRA, CBWA

Steve McQueen starred in the 1963 movie entitled *The Great Escape*. This thriller is based on a true story of a mass escape from a World War II German POW camp. *The Great Escape* is about courage, commitment, communication, focus, passion, positive attitude, problem solving, relationships, self-discipline and teamwork.

In 1944, the Germans built a special Stalag, or prison camp, designed to house their most troublesome inmates, the ones who repeatedly were attempting escape. The Nazis, exasperated at the number of escapes from their prison camps, built a high security "escape proof" camp in Silesia, halfway between Berlin and Breslan – up toward the Polish border and far away from any friendly or neutral border.

There is something demoralizing about being taken a prisoner of war. At first it stuns the mind and one is overwhelmed with a feeling of helplessness, and hope is only a dim, dim shadow. The prisoner is sorely tempted to sit back quietly and cooperate with his captors. But **it is the duty of any officer in the time of war, should he or she have the bad fortune to be taken prisoner, to do all in his or her power to escape. If escape is impossible it then becomes his or her duty to force the enemy to employ an inordinate number of soldiers to guard him or her.** Such was evident by the officers whom the Germans had corralled in the north compound of Stalag Luft III during the war.

Stalag Luft III was grim – six low drab wooden barrack huts in a patch of sand surrounded by a double barbed-wire fence nine feet high. Spaced about a hundred yards apart just outside the barbed wire, the “goon boxes” stood up on their stilts about 15 feet high so that searchlights and machine guns could look down into the compound with clear vision and unrestricted field of fire. About 30 feet inside the barbed wire ran the warning wire on little posts about 18 inches high. It was to keep prisoners away from the fence, and it certainly did. If you put your foot over the line, several bullets would follow.

With only their bare hands and the crudest of homemade tools, the prisoners built underground railroads, forged passports, drew maps, faked weapons and tailored German uniforms and civilian clothes.

What does *The Great Escape* have to do with you and your business? Everything. There is a disease – 1an enemy -- that is eating away at your knowledge, wisdom and professionalism each and every day. This disease – known as commoditization – reduces your offerings to the lowest common denominator, the competitive bid. A stinking price!

Commoditization occurs when the focus of the consumers decision is on the offering rather than the quantifiable difference that you bring to their business. You cannot see commoditization. However, it can be felt in the negative impact on your confidence, reputation, time and money.

After analyzing the results of over 5,000 Beyond Insurance® Surveys and discussions with over 700 insurance agency principals, sales managers, account executives, customer service representatives and producers, Beyond Insurance has concluded that commoditization is comprised of three dangerous traps – the Commodity, Perception and Anxiety traps.

### The Commodity Trap

The Commodity Trap occurs when the consumer sees little or no distinguishable difference between products, services or resources. When this happens, price becomes the differentiator. Getting caught in the Commodity Trap is not fun because your value proposition is reduced to a number. It also means that you have dozens, if not hundreds, of competitors who the consumer believes delivers a similar service or product.

### The Perception Trap

The lock and key for the Perception Trap is housed in the consumer’s mind. This trap is based upon the consumer’s past experiences -- their preconceived ideas of the value of your products and services. The Perception Trap alters what the consumer sees. When people view something with a preconceived notion, they link it with prior experiences. Their knowledge does not allow them to open their eyes to the value of your new offering. When concepts are viewed without understanding, the mind reaches for something that it already recognizes, a baseline of understanding for which opinions are formed.

### The Anxiety Trap

Anxiety is a reaction to stress. The Anxiety Trap represents a person's fear of considering alternatives to the status quo. It represents a false fear that impedes one's ability to explore alternative means of delivering a product or service. Moving outside your comfort zone, can cause stress which leads to anxiety. The best way to avoid the Anxiety Trap is to play it safe. Unfortunately, this short term strategy will leave you caught in the Commodity and Perception Traps.

If you are a member of a firm who is developing value added services to differentiate yourself from your competitors, you are escaping The Commodity Trap. However, beware of the Perception and Anxiety Traps. They are most dangerous and tricky. Changing the consumer's perception takes time and energy. Giving a member of your staff the tools, training and confidence to avoid the Anxiety Trap can also be quite a challenge. Be patient. The rewards are plentiful. I suggest the following three strategies to escape the Commodity, Perception and Anxiety Traps:

1. **Value Proposition.** Your value proposition represents the reason why a customer should buy your particular product or service, how it exceeds that of your competition and why it is worthy of the price they must pay. Your value proposition must appeal to your customer's strongest decision making drivers. A differentiated value proposition goes beyond functional product or service descriptions to express the results a customer can expect to achieve. The value proposition must not be about you and your firm. Rather, it must be all about the customer. Your ability to articulate how you are uniquely qualified to help the consumer will distinguish you from others in the marketplace.
2. **Create a culture of creativity and innovation.** The ability to "think outside the box" is best supported in a flexible, open, nurturing environment. Creativity is the act of producing new ideas, approaches or actions while innovation is the process of putting ideas into action. Creativity is always the starting point for innovation.

Establishing a culture of creativity and innovation is essential to your Great Escape.

3. **Understand the customer.** The research of Beyond Insurance substantiates that consumers are willing to pay a premium, redefine the buyer/seller relationship, erect barriers to the seller's competitors and establish the seller as a trusted advisor when the seller reveals to the buyer an **unrecognized problem** and establishes for the buyer an **unanticipated solution**. Both are accomplished with a thorough understanding of the business.

*The Great Escape* is a story of achievement against impossible odds. And it proves that nothing can stop a group from achieving a goal once they agree to what that goal is. The 76 ragged, verminous men of all nationalities who climbed out of that stinking hole in the ground on that windy March 24, 1944 night challenged the Third Reich and all it stood for. Their amazing escape

allows us to understand and appreciate that anything can be accomplished with purpose, passion, positive attitude, creativity and innovation. Go for it. You have everything to gain – especially your freedom!

#### About the Author

Scott Addis, CPCU, CRA, CBWA is the CEO of Beyond Insurance and is recognized as an industry leader having been named a Philadelphia finalist for *Inc. Magazine's* "Entrepreneur of the Year" award as well as one of the "25 Most Innovative Agents in America." Beyond Insurance is a consulting firm that offers leadership training, cultural transformation, and talent and tactical development for enlightened professionals who are looking to take their practice to the next level. Since 2007, the proven and repeatable processes of Beyond Insurance have transformed individuals and organizations as measured by enhanced organic growth, productivity, profitability, and value in the marketplace.