Building a Positioning Statement

The objective here is to develop a message you can present to customers/investors—and in some cases, users—that conveys the essential purpose of the company. It is not a noble mission statement, but the practical reason you have (or will have) a business.

In a startup, the *positioning statement* is a hypothesis that needs to be tested over and over again with many, many potential customers. During your *customer discovery*, this message will almost always need to evolve and/or be polished - that is the point of discovering who your customers are! And as your company grows and becomes established, your *positioning statement evolves to also become your brand*.

It will inform your 20 second pitch; when someone at a networking event asks “What do you guys do?” It should be *brief, meaningful, and memorable* (all 3 or nothing!).

We recommend using the format presented in Geoffrey Moore’s *Crossing the Chasm*, and have included space for your answers below:

For <target customer> who <statement of the need or opportunity>, the <product name> is a <product category> that <statement of key benefit – that is, compelling reason to buy). Unlike <primary competitive alternative>, our product <statement of primary differentiation>.

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1. Who is Product X for?  
(*Customers/users – can they recognize themselves here?)

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2. Why do they need Product X?  
(*What is the pain point you’re solving?)

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3. What is Product X?  
(*Something useful, described in terms that the customer can understand. References to existing product categories can be useful*)
4. What does Product X provide?
(The benefits of your product/service)

5. Why pick Product X over competitors?
(What does the competition do that is not as good? Who are they?)

6. What does Product X do?
(Is it something useful?)

7. What else does Product X provide?
(Any other significant benefits)