

Tying ^{the} Strategy 

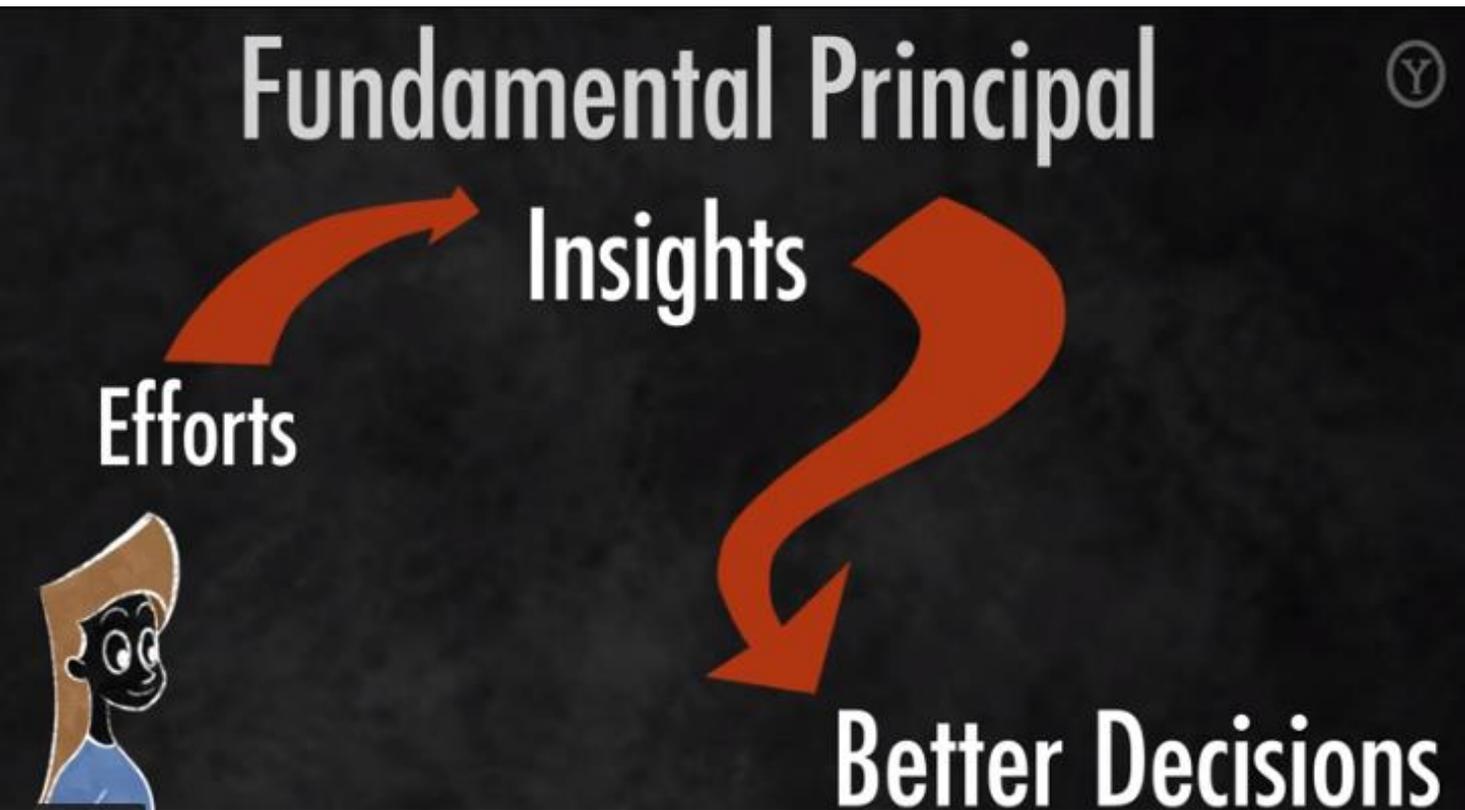
Pieces

TOGETHER 



High Level Overview





If we gain no insight from our analysis, then the analysis has no purpose. Before we start a strategy tool or framework, our starting question should be: **What insight do we hope to gain?**

Business Strategy



Corporate Strategy





Question

- ▶ How do you compete in a particular competitive environment for particular customers?

Higher Level Set of Questions

- ▶ Which competitive environments does the corporation compete in?
- ▶ How many businesses does it operate?
- ▶ How do those businesses work together?

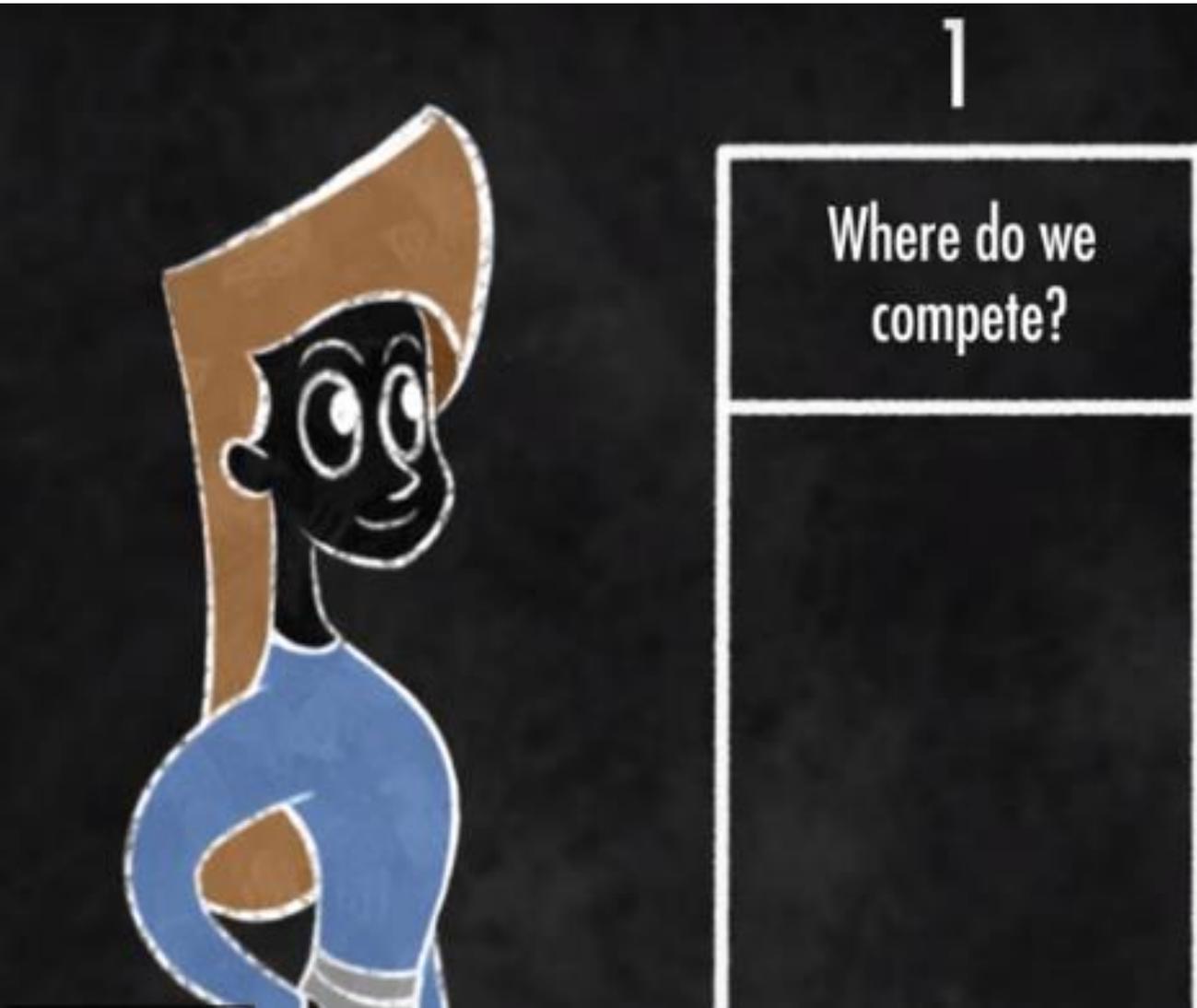


Each business may have its own market and unique business strategy

4 Key Questions



Where do we compete?	What unique value do we offer?	How do we deliver value?		How do we sustain our ability to do so?



Who are our key customers and what products or services are they buying from us? This includes identifying the industries, geographies, or technological spaces we operate in.

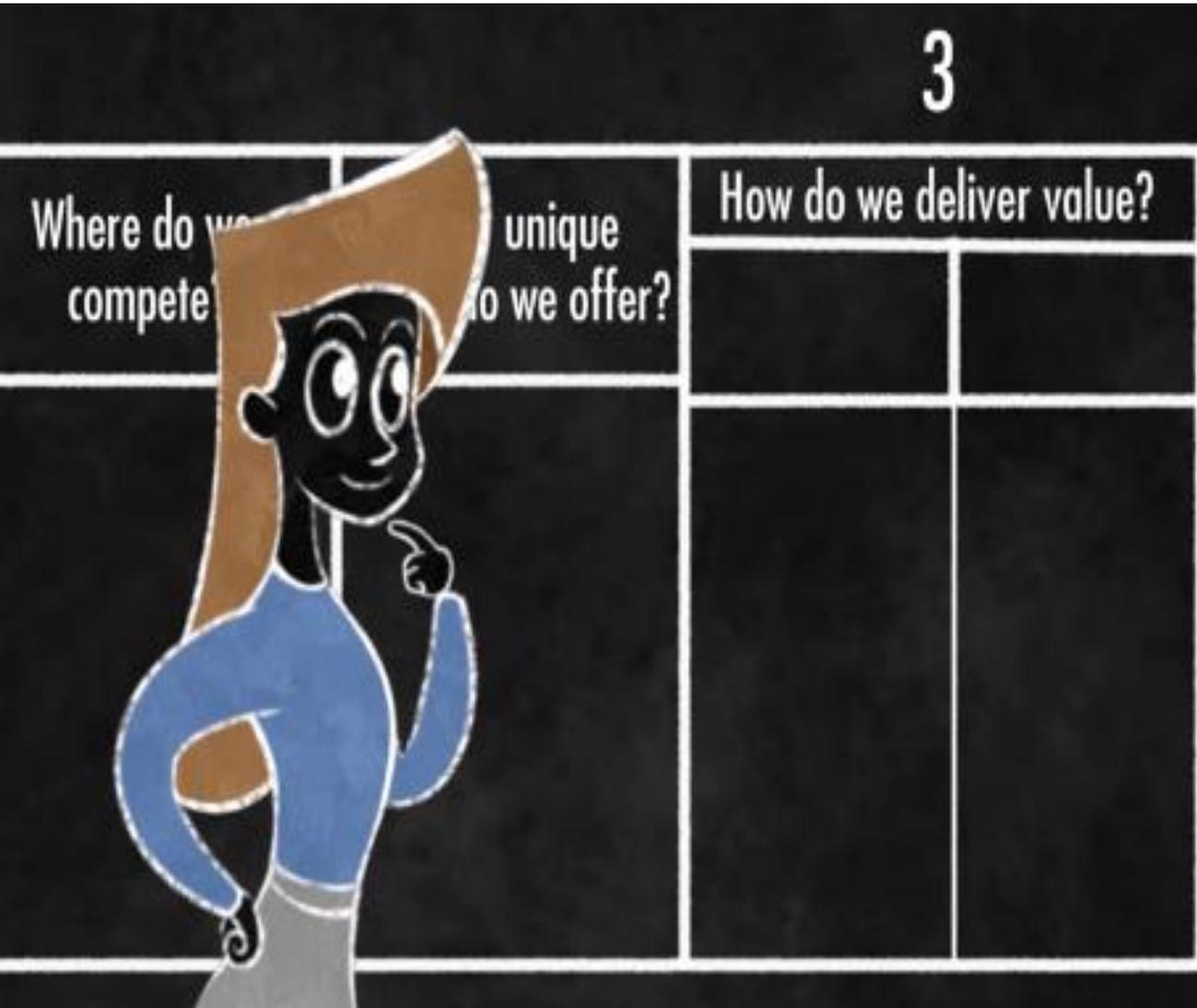
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What do we
compete?

What unique
value do we offer?



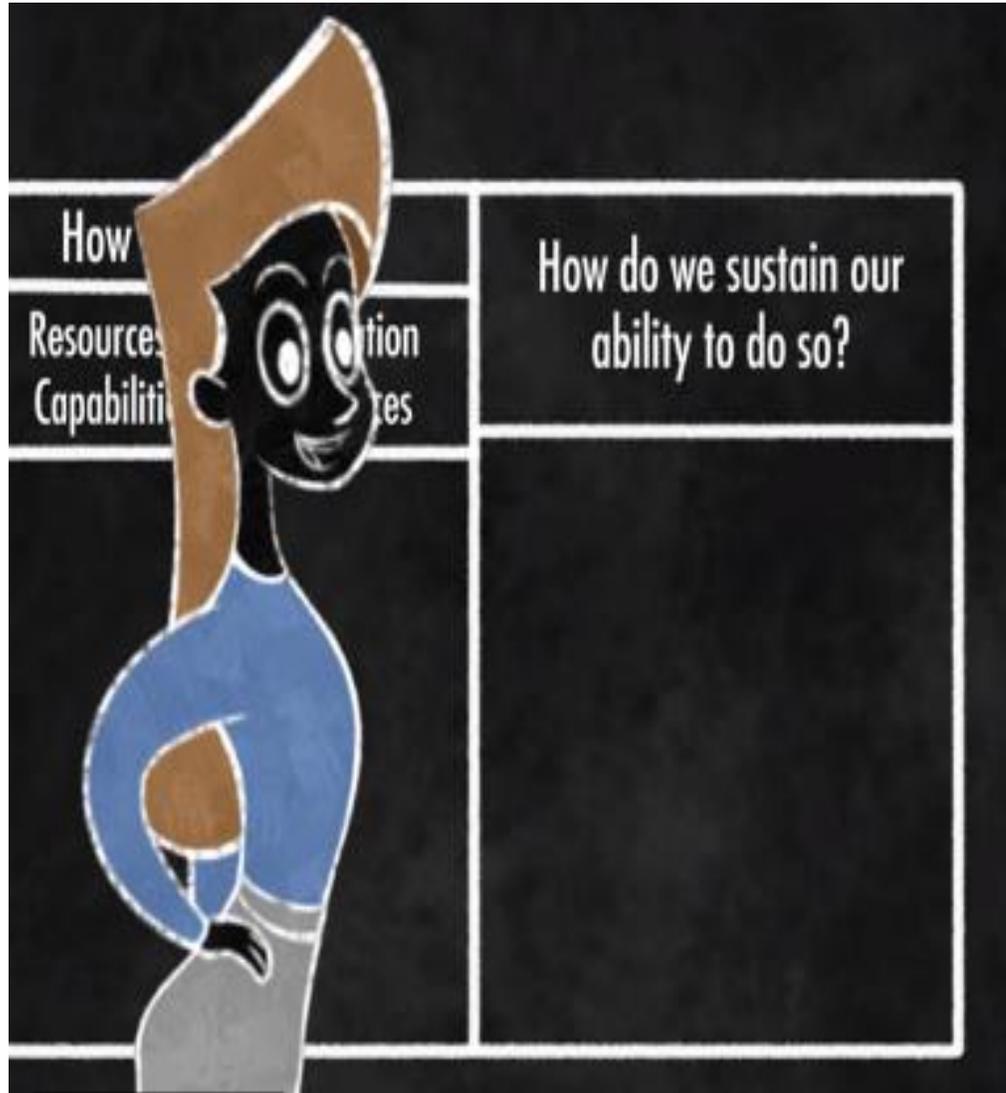
Why will customers buy our products or services over other options available to them? Are we better quality, design, cheaper, faster, easier to purchase? A combination of these factors?



What resources, capabilities, systems, practices, policies, and people help us to consistently deliver that unique value to our customers?

1: What resources and capabilities do we have?

2: What are our execution practices?



Can we continue to do what we do over time, and profitably?

Is there anything preventing a competitor coming in so we are no longer offering a unique value?

Political Economic Social Technological



Analysis



Helps us understand the external environment of where we compete, and how the external environment will shift and change over time

Price



Your price is lower than the other options and your product is good enough to meet the customers basic needs

Differentiation



What do we measure?	What steps will be used?			
	Price			

Your product is attractive due to its unique features, quality, brand image, or ability to customize a solution



These are the company's resources/tools. Capabilities are what a company can do with these resources/tools

Jay Galbraith's Star



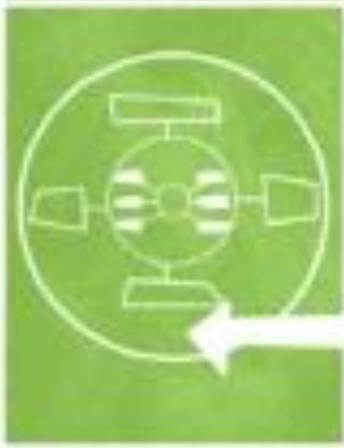
Model

Where do we compete?	What unique value do we offer?	How do we deliver?		How do we sustain our ability to do so?
		Resources & Capabilities	Business Position	
	Price Product/ Service	Resources Capabilities		

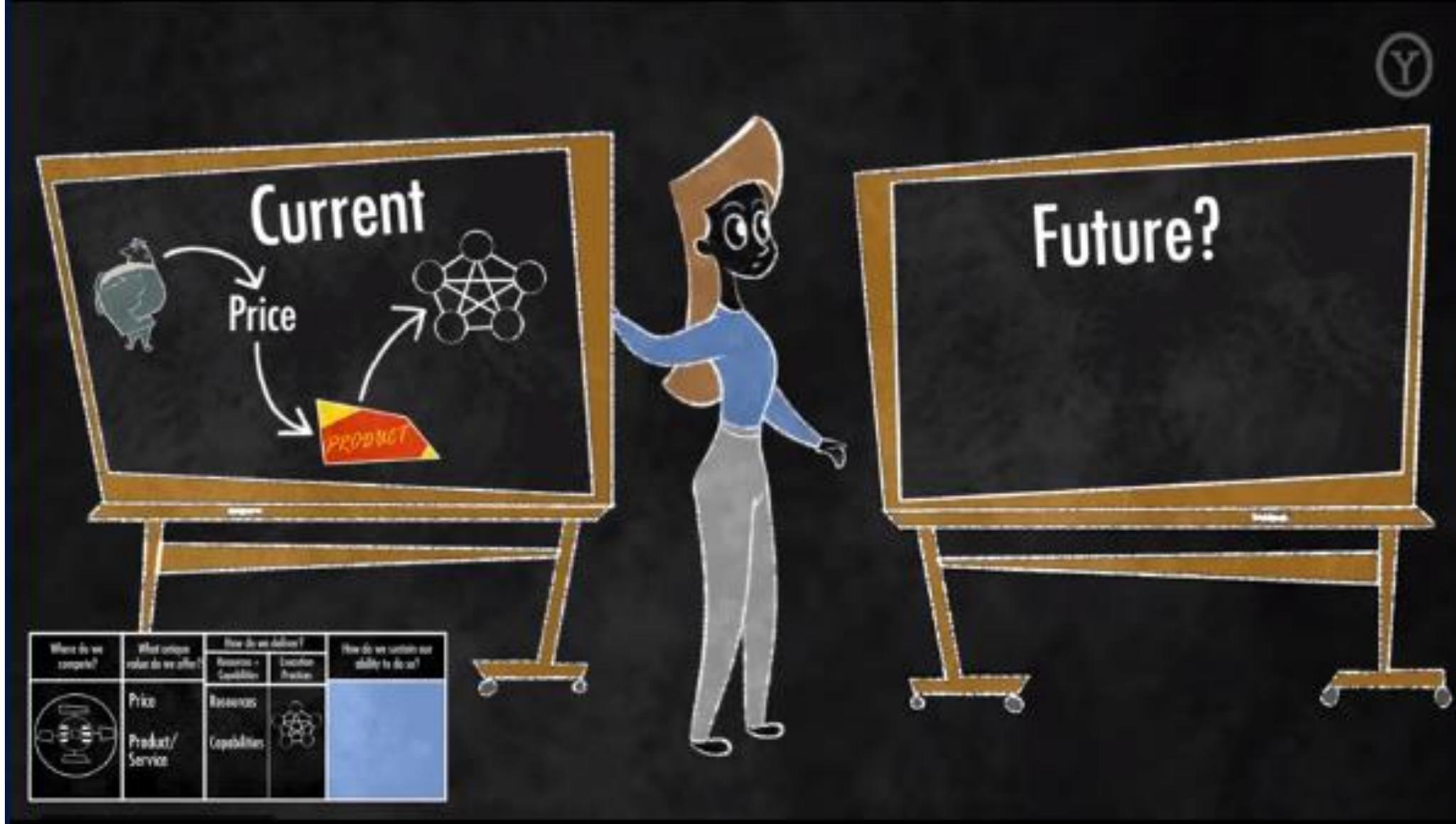


All of these must be aligned to ensure we are organized and operating to make the best use of our resources and capabilities



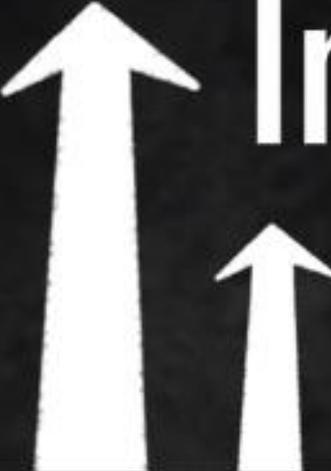
Where do we compete?	What unique value do we offer?	How do we deliver?		How do we sustain our ability to do so?
		Resources + Capabilities	Execution Practices	
	Price Product/ Service	Resources Capabilities		





The prior questions help us see our current and future strategy, as well as know whether our current position is defensible from imitation

Vertical Integration



1st way of thinking about Corporate Strategy. We own several sequential steps in the production of a product or delivery of a service. One of our businesses is a customer of another of our businesses

Diversification



2nd way of thinking about Corporate Strategy. We have businesses that may be related but are not in sequential step in the value chain