

**Thecasesolutions.com CONTENTS**

- I. Position of strategy
- II. Differentiation strategy and its value drivers
- III. Cost leadership strategy and its value drivers
- IV. Business level strategy and the Five Forces
- V. Blue ocean strategy
- VI. Conclusion



**VI-Conclusion**

How to formulate a **business strategy** in order to have a sustainable competitive advantage?

Managers should make sure they have a mastery of their environment for them to be able to choose the best strategy options necessary without however neglecting all the risks some strategies include.

**Stuck in the middle**

- Different strategies
- Distant internal value chain
- Interfer performance
- Competitive advantage

**Strategy canvas**

- Show strategies
- Help determine course of action
- Divergence

**Threats:**

- Artificially low costs
- Low performance
- Unreasonable sales

**Risk:**

- Low quality
- Higher price

**Costs:**

- Higher quality
- Higher price

**Create:**

- A new way of performing

**Chapter case: Situation**

**"Le monde du ski"**

Can you determine which case (sub)optimal for design level? How do they manage to have such a success with their concept?

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**Blue ocean creation**

Lower cost:

- What is the benefit that the industry has to provide that the industry should be able to do?
- What is the benefit that the industry has to provide that the industry should be able to do?
- What is the benefit that the industry has to provide that the industry should be able to do?

Higher cost/valued:

- What is the benefit that the industry has to provide that the industry should be able to do?
- What is the benefit that the industry has to provide that the industry should be able to do?
- What is the benefit that the industry has to provide that the industry should be able to do?

**V- Blue ocean strategy**

**Red ocean:** Existing industries

- Multiple competitors
- Intense rivalry between competitors
- Compete on price
- Product differentiation is a key to success
- Industry is crowded with competitors

**Blue ocean:** No existing industries

- Uncontested market space
- Clear demand
- Highly differentiated products
- Highly differentiated products
- Highly differentiated products

**Value innovation:**

- Simultaneous cost reduction and differentiation

**2 Disadvantages**

**1) Differentiation**

- Customers rarely differentiate
- Highly differentiated products
- Highly differentiated products
- Highly differentiated products

**2) Cost leadership**

- Highly differentiated products
- Highly differentiated products
- Highly differentiated products

**IV- Business level strategy and the five Forces**

**1- Benefits**

**Differentiation**

- Higher value
- Reduce rivalry among competitors
- Reduce threat of entry
- Reduce threat of substitutes
- Power over price

**Cost leadership**

- Reduce the threat of entry
- Reduce power of suppliers
- Reduce the threat of substitutes

**3 Learning curve**

- Learning effect - economies of scale
- The difference in time - The difference in complexity
- Exploitation curve
- Learning curve - Economies of scale
- Learning curve - Economies of scale
- Learning curve - Economies of scale

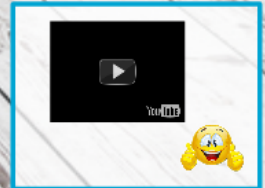
**III- Cost-leadership and its value drivers**

**1- Cost leadership**

- Low cost leader
- Economic value > competitors

**2- Value drivers**

- The cost of input factors
- Economies of scale
- Spread fixed costs
- Focus in more specialized systems and equipments
- Taking advantage of certain physical properties
- MEQ and Economies of scale





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  - Differentiation: Benefits and Disadvantages
  - Cost leadership: Benefits and Disadvantages
- V- Blue ocean strategy
  - Value innovation
  - Break the trade-off
- VI- Conclusion

**ANY QUESTIONS?**

OR THANK YOU FOR ATTENDING OUR PRESENTATION

Any questions?

**VI-Conclusion**

How to implement a business strategy in order to have a sustainable competitive advantage?

Managers should make sure their have a mastery of their environment for them to be able to choose the best strategic option necessary without however overlooking all the risks some strategies include!

**Stuck in the middle**

- Different strategies
- Distinct internal value chains
- Inferior performance
- Competitive advantage

**Strategy canvas**

- Shows strategies
- Help determine course of action
- Divergence

**Illustration**

- Annual sales
- Operating performance
- Succession sales

**Risk:**

- Clashes
- Human staff

**Risks:**

- Higher quality
- Higher price

**Creates:**

- A new way of packaging

**Chapter case Solution**

**"Le cinque di sole"**

Can someone apply Porter's models to the case situation? How do they compare with what you've learned about strategy?

**Blue ocean strategy**

*"A strategic strategy that makes competition irrelevant by creating a new market space and plays in value for buyers as well as the company."*

Blue ocean creation

How can it be done?

1) Which is the factor that the industry rules for general should be broken down? Which of the factors should be broken down before the industry standard?

2) Which is the factor that the industry rules for general should be broken down? Which of the factors should be broken down before the industry standard?

**V- Blue ocean strategy**

**Value Innovation**

Value Innovation

Value Innovation

**2-Disadvantages**

Disadvantages

- Customer loyalty
- More qualified competitors in the market
- More capital in the market
- Power of suppliers and buyers
- Risk from price to value

How well it helps the firm improve overall performance while mitigating its weaknesses.

How well it helps the firm improve overall performance while mitigating its weaknesses.

**IV- Business level strategy and the Five Forces**

**1-Benefits**

Differentiation

- Higher value
- Reduce rivalry among competitors
- Reduce threat of entry
- Reduce threat of substitute
- Fewer over price

Cost leadership

- Reduce the threat of entry
- Reduce response of suppliers

Reduce the threat of substitute

**3- Learning curve**

- Learning effects - economies of scale
- The difference in timing
- The difference in complexity

**4- Experience curve**

- Learning curve
- Experience curve
- Management labor
- Efficiency
- Efficiency

**III- Cost-leadership and its value drivers**

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- Economies of scale
- Spread fixed cost
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- R&D and Economies of scale



**III- Cost-leadership and its value drivers**

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**YouTube**

Video player interface with a play button and a smiley face icon.

**I- Business-level strategy**

- Strategic position
- Generic business strategy

**II- Differentiation strategy and its value drivers**

**III- Cost leadership strategy and its value drivers**

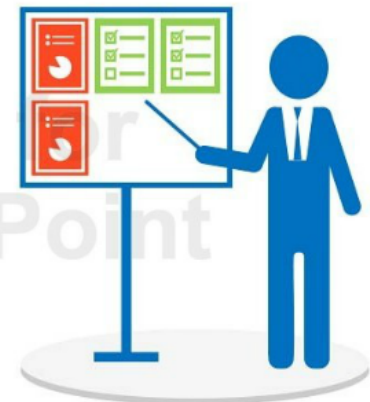
**IV- Business-level strategy and the 5 forces**

- Differentiation: Benefits and downsides
- Cost leadership: Benefits and downsides

**V- Blue ocean strategy**

- Value innovation
- Stuck in the middle

**VI- Conclusion**







**idea** 45% is **SALE!**

*"How to formulate a business strategy in order to have a sustainable competitive advantage?"*

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**MARKETING**

**inter**

**SUCCESS**



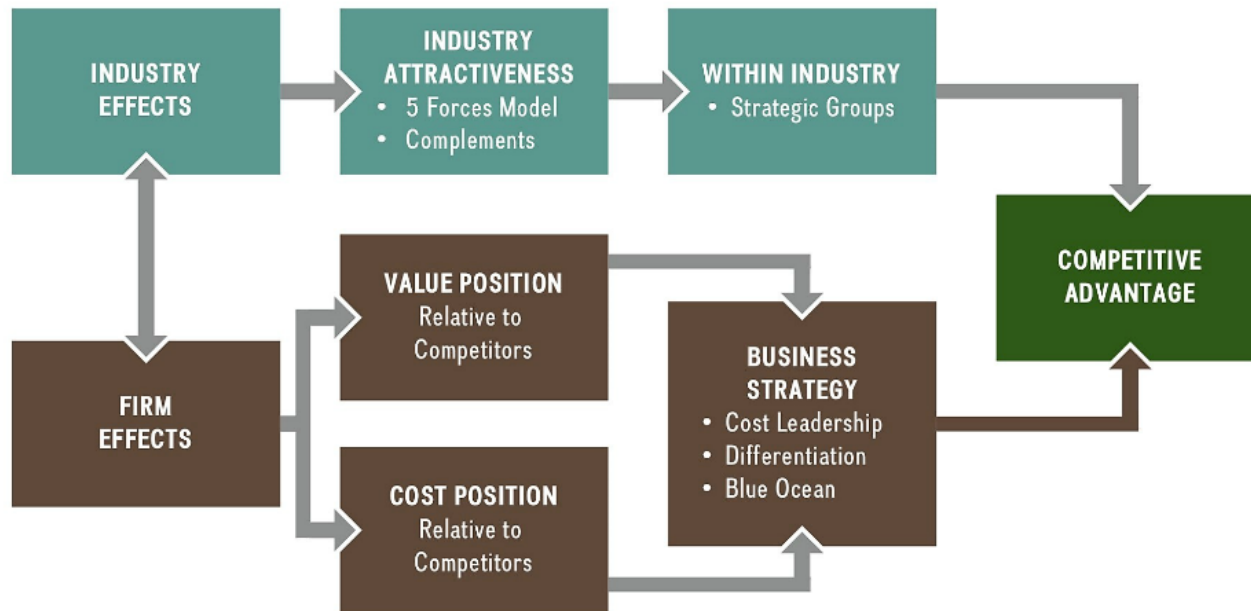


# I- Business-level strategy

## How to compete for advantage.

- Action
- Who, What, why and how
- Industry effects and firms effects.

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## 1- Strategic position

- Value and cost
- Business-level strategy → Strategic position
- Strategic trade-off

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