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**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
- Distorted internal value chain
- Inferior performance
- Competitive advantage

**Strategy canvas**

- Show strategies
- Help determine course of action
- Divergence

**Threats:**

- Artificially low costs
- Poor performance
- Inconsistent sales

**Risk factors:**

- Excesses
- Higher cost

**Benefits:**

- Higher quality
- Higher price

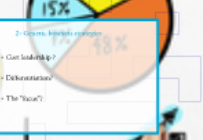
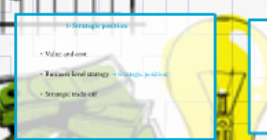
**Creation:**

- A new way of performing

**Chapter case: Situation**

**"Leconte du soleil"**

Can someone apply their solutions to the digital world? How do they manage to have such a success with their concept?



**Cost leadership** Making superior profit through lower costs

- Differentiation: Creating a product or service that is perceived as being unique
- The "Blue" Ocean: Concentrating on a market space that is new



IDEA 45% is SALE!



TEAM

internet

MARKETING

CLOUD

TheCaseSolutions.com



**Differentiation Cost leadership Focus**

- McDonald's Focus
- Walmart Focus
- PepsiCo Focus



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

- Differentiation strategy
- Innovation
- Value created - competitors
- Cost of it

**2-Value drivers**

- Product feature
- Customer service
- Compliance

**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 cost
  - Invest in more specialized systems and equipments
  - Taking advantage of certain physical properties
- **MEQ and Economies of scale**

# The effect of Cost Leadership Strategy on training within Human Resources Case Solution & Analysis

**Blue ocean strategy**

Lower cost:

- 1) What are the cost drivers?
- 2) What are the factors that the cost can't reduce below the industry's standard?
- 3) What factors should be ignored that the industry has never offered?

**Value innovation**

Value innovation:

- Simultaneous cost reduction & improvements
- Value innovation

**Low leadership**

Low leadership:

- More qualified employees in the market
- More qualified in the market

**I-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 prices of suppliers
- Reduce the threat of substitutes

**Expatriate culture**

The difference in being The difference in complexity

- Learning curve - Innovation of scale
- Learning curve - Innovation of scale
- Equipment cost
- Material cost
- Efficiency
- Efficiency







# The effect of Cost Leadership Strategy on training within Human Resources Harvard Case Solution & Analysis

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  - Business business strategy
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- V- Business level strategy
  - Value innovation
  - Build in the middle
- VI- Conclusion

**ANY QUESTIONS?**

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.

**Struck in the middle**

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

**Strategy canvas**

- Show strategies
- Help determine course of action
- Divergence

**Illustration**

- Annual return
- Cash performance
- Succession sales

**Risk**

- Client
- Human staff

**Risk**

- Higher quality
- Higher price

**Creates**

- A new way of packaging

**Chapter case Solution**

**"Le cinque di soldi"**

Can someone really learn to walk in the shoes of a CEO? How do they manage to have such a vision with their employees?

**Blue ocean case**

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

**Blue ocean case**

1) Which is the business level strategy?

2) Which of the business level strategy should be chosen before the industry's standard?

3) Which is the business level strategy?

4) Which of the business level strategy should be chosen before the industry's standard?

5) Which of the business level strategy should be chosen before the industry's standard?

**Business level strategy**

Business level strategy is the overall strategy that a company uses to achieve its long-term goals and objectives. It is the primary strategy that a company uses to compete in the market.

**Cost leadership**

Cost leadership is a business level strategy that involves competing on the basis of low prices. It is a strategy that is used by companies that have a high volume of production and a low cost structure.

**Value innovation**

Value innovation is a business level strategy that involves creating a new value proposition for customers. It is a strategy that is used by companies that want to differentiate themselves from their competitors.

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**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 cost
- Invest in more specialized system and equipments
- Taking advantage of certain physical properties
- R&D and development of scale



**Differentiation Cost leadership Focus**

- McDonald's
- Walmart
- Target
- Costco
- Aldi
- Lidl
- Aldi
- Lidl

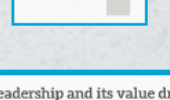


**III- Differentiation strategy and its value drivers**

- Differentiation strategy
- Higher price
- Value added > competitors
- Cost (if)

**Value drivers**

- Product features
- Customer service
- Complexities



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

- Low cost leader
- Economic value > competitors
- Value drivers
- The cost of input factors
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### **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**





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**idea** 45% is SALE!

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

SUCCESS

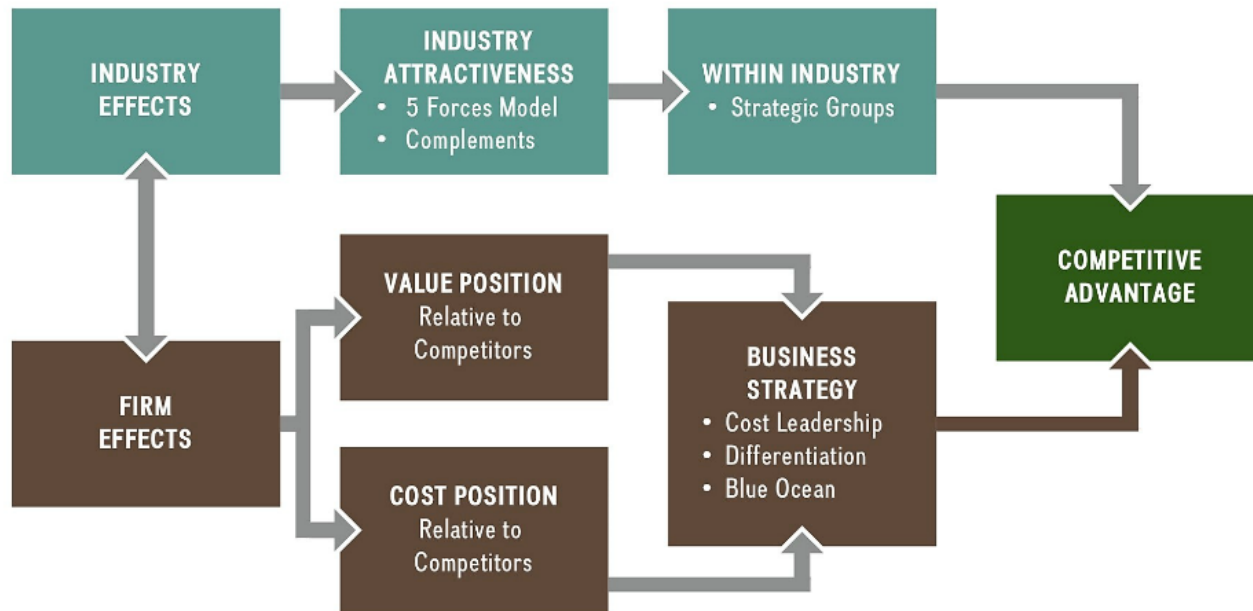
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# I- Business-level strategy

## How to compete for advantage.

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





## 1- Strategic position

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