



Introduction - What is Strategy?

Three Levels of Strategy

1. Corporate strategy
 2. Business unit strategy
 3. Team strategy
- **No definitive answer about what strategy really is.**
 - Strategy determines the direction and scope of an organization over the long term.



1. Corporate Strategy

- Corporate strategy refers to the overall strategy of an organization that is made up of multiple business units, operating in multiple markets.
- Tools like Porter's Generic Strategies, the Boston Matrix, the ADL Matrix and VRIO Analysis will help with this type of high-level analysis and planning.

2. Business Unit Strategy

- Competitive analysis, including gathering competitive intelligence , is a great starting point for developing a business unit strategy.
- Porter's Five Forces is a must-have tool for this process, while a SWOT Analysis will help you to understand and address the opportunities and threats in the market.



3. Team Strategy

- You need to be working efficiently to achieve the strategic objectives that have been set at higher levels of the organization.



- Every day, your company competes with other companies to survive and succeed.
- According to Lafley and Martin, strategy is

"... an integrated set of choices that uniquely positions the firm in its industry, so as to create sustainable advantage and superior value relative to the competition."

Lafley & Martin's 5-Step Strategy Model

Winning aspiration?

Where will we play?

How will we win?

Capabilities needed?

Management systems required?



1. What Is Our Winning Aspiration?

- Think carefully about how your organization wants to define "winning," and about what you're ultimately doing to make the world a better place.

2. Where Will We Play?

- One of the best ways to choose where to play is to figure out which customers matter most to you, because the rest of your strategic decisions will revolve around these people.

3. How Will We Win?

- Start by thinking about the type of strategy that you're going to use.
- Next, look closely at your competitors.



4. What Capabilities Must We Have in Place to Win?

- The capabilities you need may differ for each product, brand, or business unit that you have.
- First, look at your organization's resources.
- It can take a lot of time and effort to build competencies.

5. What Management Systems Are Required to Support Our Choices?

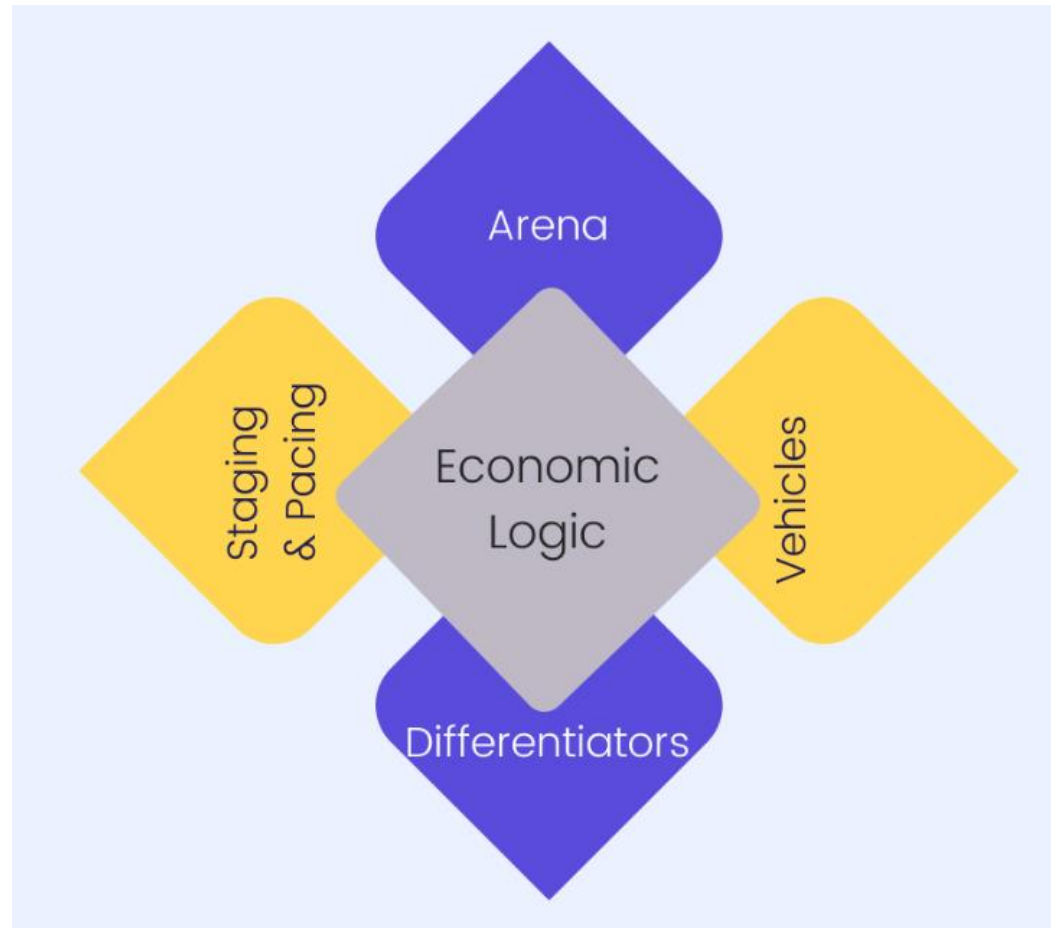
- Define Critical Success Factors, and put into place systems to measure and report on these.
- Finally, communicate your strategy to everyone in the organization.





“*Strategy*” is often used in business and, yet, it's probably one of the most misused and misunderstood terms around.

- “Strategy” is a statement of how your company plans to succeed in its market, however that is defined.



1. Arenas

- List product categories
- Look at the market segments

2. Vehicles

- approach you'll use to participate in your targeted arena. (internal product development, joint ventures or strategic alliances , franchising, acquisitions, or licensing agreements.)

3. Differentiators

- You can start to understand differentiators by identifying competitors in your chosen arenas.





4. Staging

- Start thinking about staging by conducting a VRIO Analysis to clarify the resources that are available to you.

5. Economic Logic

- this is how you're going to generate ongoing profits for your organization.



The Business Model Canvas

A company's business model determines how it generates its revenue, operates successfully, and makes a profit.



Customer Segments

- Instead of trying to satisfy everyone, all of the time, group your customers according to common attributes

Value Propositions

- How do you create value for your target market?
- What problem or need does your product or service solve for the customer?
- How does your product or service differ from your competitors' offerings?

Revenue Streams

- What do your customers currently pay for similar products or services?
- How do they pay for this?
- What do you charge for your product or service?
- Do customers get any free services or perks that your competitors don't offer?



Channels

- Channels Include a direct sales force, web sales, own brand stores, partner stores, and wholesalers.

Customer Relationships

- Dedicated personal assistance
- Personal assistance
- Self-service
- Automated Service
- Communities
- Co-creation



Key Resources

- Key resources may be owned by your company, leased, or used through some other arrangement with key partners.

Key Activities

Key Partnerships

- Network of partners, stakeholders and suppliers that you rely upon to make your business model work

Cost Structure

- All of the operating costs that your business incurs as part of its business model.

