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2008 **BOOK**

On Competition

By: [M. E. Porter](#)

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ABSTRACT

Competition is one of society's most powerful forces for making things better in many fields of human endeavor. The study of competition and the creation of value, in their full richness, have preoccupied me for several decades. Competition is pervasive, whether it involves companies contesting markets, countries coping with globalization, or social organizations responding to societal needs. Every organization needs a strategy in order to deliver superior value to its customers. This is truer today than ever before, as competition has intensified dramatically over the last several decades in almost all domains. It has spread across geography, so that nations must

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INDIA'S QUEST FOR SUSTAINABLE GROWTH IN A NEW GLOBAL REALITY:: THE NEED FOR A REGION- AND SECTOR-DRIVEN APPROACH

By: [Christian H.M. Ketels](#) and [Michael E. Porter](#)

compete to maintain their existing prosperity, much less enhance it. Competition has also spread to all sectors of society, including fields like the arts, education, health care, and philanthropy, where there are growing needs but scarce resources. Today organizations in all spheres must compete to deliver value. Value is the ability to meet or exceed the needs of customers, and do so efficiently. Companies have to deliver value to their customers, and countries have to deliver value as business locations. This is now just as true for a hospital delivering health care, or a foundation making charitable contributions, as it is for a company producing a product or service. Delivering social value—high social benefits per dollar expended—is fast becoming the imperative for any organization that seeks to advance the public good. In understanding competition and value creation, my aim is to capture the complexity of what actually happens on the ground. While trained as an economist and steeped in the discipline of economic reasoning, I have sought both to advance theory and make that theory operational for practitioners. My goal has been to develop rigorous and useful frame-works that effectively bridge the gap between theory and practice. This book brings together in one place the full range of concepts and tools I have developed to understand competition and value creation. This includes both my newer work and the original foundations on which it is built. The articles here examine competition at multiple levels and in different settings, but with a common framework that connects them all. This expanded edition is organized in five parts: Part I, "Competition and Strategy: Core Concepts," lays out the core concepts of competitive strategy for companies, first at the level of a single industry and then for multi-business or diversified companies. The drivers of industry competition, the ways in which companies gain and sustain competitive advantage, and the principles of developing a distinctive strategy are at the core of competition. A sophisticated understanding of how to be competitive in a particular business provides the foundation on which other corporate choices are built; diversification, for example, cannot be approached sensibly without linking it directly to competition in individual businesses. Also, the principles in Part I are as relevant for nonprofits as for companies. 1. The Five Competitive Forces That Shape Strategy (January 2008 HBR Version) Michael E. Porter

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COMPETITIVENESS ROADMAP FOR INDIA@100

By: [Michael E. Porter](#) and [Christian H.M. Ketels](#)

OCTOBER 26, 2021 NEJM CATALYST VALUE CHAIN MANAGEMENT TO IMPLEMENT POST-COVID-19 HEALTH CARE STRATEGY: THE COVID-19 CRISIS HAS CREATED AREAS OF INNOVATION THAT SHOULD BE EMBRACED BY HEALTH CARE LEADERS

By: [Michael E. Porter](#), Junaid Nabi and
Thomas H. Lee

2. What Is Strategy? Michael E. Porter 3. How Information Gives You Competitive Advantage Michael E. Porter and Victor E. Millar 4. Strategy and the Internet (New to this edition) Michael E. Porter 5. From Competitive Advantage to Corporate Strategy Michael E. Porter Part II, "The Competitiveness of Locations," addresses the role of location in competition. As competition has spread and intensified, interest in the competitiveness of nations, states, and cities has exploded. As technology has allowed companies to become more global in their activities and as capital moves more freely across borders, many theorists claim that location diminishes in importance. The articles in Part II, however, challenge this notion. In them, I show how the prosperity of both companies and entire countries is dependent on the local environment in which competition takes place. Traditionally, the competitiveness of a region or a nation has been seen primarily as an issue for governments seeking to promote investment and job creation. The new model of competitiveness reveals unfamiliar roles for companies in shaping their competitive context; the need for a new type of relationship between business, government, and other local institutions; and entirely new ways of thinking about government policy. Understanding the influence of location on competition, together with the ideas in Part I, is also essential to setting global strategy for companies. 6. The Competitive Advantage of Nations Michael E. Porter 7. Clusters and Competition: New Agendas for Companies, Governments, and Institutions Michael E. Porter 8. Competing Across Locations: Enhancing Competitive Advantage through a Global Strategy Michael E. Porter Part III, "Competitive Solutions to Societal Problems," draws on the frameworks in Parts I and II to address important societal issues. The environment, urban poverty and income inequality, and health care, among others, are normally seen as social problems. However, each of them is inextricably bound up with economics and, more specifically, with competition. I am increasingly convinced that lasting, self-sustaining solutions to these problems lie in our ability to apply effectively the deepest lessons of competition. There are huge win-win opportunities for both society and for companies if we approach issues such as the environment, disadvantaged communities, and health-care delivery in the right way. Creating positive-sum competition in these arenas will foster innovation that

produces enormous value for society. 9. Green and Competitive: Ending the Stalemate Michael E. Porter and Claas Van Der Linde 10. The Competitive Advantage of the Inner City Michael E. Porter 11. Redefining Competition in Health Care (New to this edition) Michael E. Porter and Elizabeth Olmsted Teisberg Part IV, "Strategy, Philanthropy, and Corporate Social Responsibility," applies strategy principles to philanthropy and giving by both social organizations and corporations. In a world of scarce public resources and rising aspirations to address social needs, the need for philanthropy to deliver value is urgent. The social sector must justify the enormous resources being devoted to giving, many of which are tax subsidized and thus supported by all citizens. The act of giving can no longer be seen as beneficial for its own sake. Instead, giving must achieve true social impact. The corporate sector is being asked to participate in social issues as never before, often under the banner of corporate social responsibility. How and where corporations should engage social issues, and how they should invest their philanthropic giving, is a pressing issue for every corporate leader. The key to doing this well is understanding that social issues and economic issues are not mutually exclusive but can be mutually reinforcing, as highlighted in Part III. Thus, social considerations can and should become part of a company's strategy, not a separate agenda. 12. Philanthropy's New Agenda: Creating Value (New to this edition) Michael E. Porter and Mark R. Kramer 13. The Competitive Advantage of Corporate Philanthropy (New to this edition) Michael E. Porter and Mark R. Kramer 14. Strategy and Society: The Link Between Competitive Advantage and Corporate Social Responsibility (New to this edition) Michael E. Porter and Mark R. Kramer Part V, "Strategy and Leadership," recognizes that leadership is needed to achieve superior value creation. For any organization, developing a strategy is an act of leadership, and strategy represents perhaps the most powerful tool available to leaders to get all the individuals in the organization aligned around a common purpose and direction. As crucial as leadership is, we still know surprisingly little about the role of leaders, especially the leaders of large complex organizations such as those that populate the Fortune 100 or Fortune 500. Such organizations are too large and complex for any leader to fully understand

all of the businesses, manage the many thousands of employees, or make even a small fraction of all the decisions. In such organizations, the roles of leaders are subtle and indirect, and we have begun to explore these roles in recent work. 15. Seven Surprises for New CEOs (New to this edition) Michael E. Porter, Jay W. Lorsch, and Nitin Nohria

KEYWORDS

[Leadership](#); [Practice](#); [Competitive Strategy](#); [Theory](#); [Value Creation](#)

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