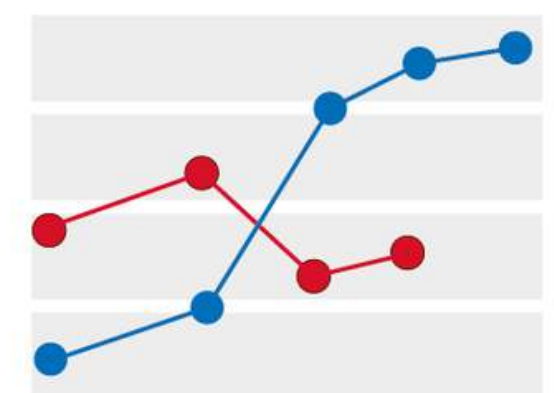
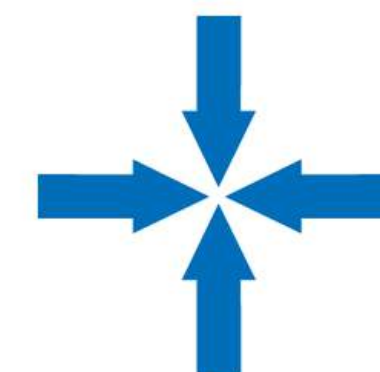
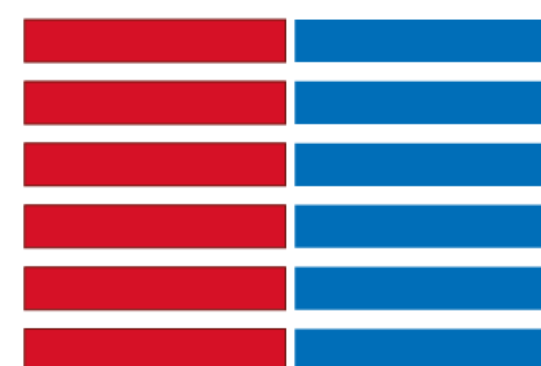


Blue Ocean

Tools and Frameworks

Discover powerful tools for new market creation by Chan Kim & Renée Mauborgne, the #1 Management Thinkers in the World



About Chan Kim and Renée Mauborgne



Chan Kim and **Renée Mauborgne** are Professors of Strategy at INSEAD, one of the world's top business schools. They are ranked **#1 Management Thinkers in the World** by Thinkers50.

They are the authors of the 4-million-copy international bestseller, [Blue Ocean Strategy](#), which is recognized as one of the most iconic and impactful strategy books ever written.



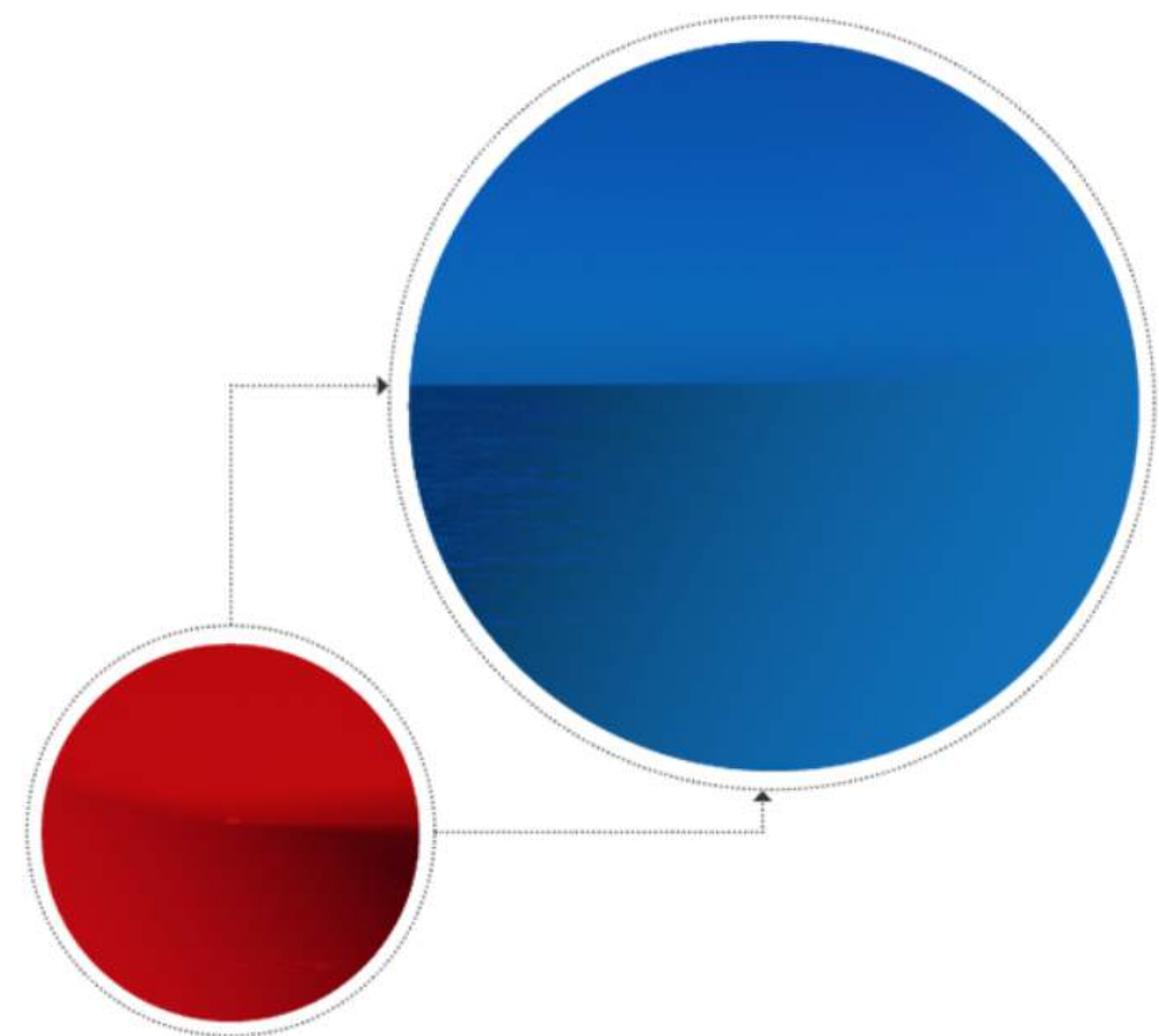
And they are authors of New York Times, #1 Wall Street Journal, USA Today, and Los Angeles Times bestseller, [Blue Ocean Shift](#): Beyond Competing – Proven Steps to Inspire Confidence and Seize New Growth.

Contents

What is Blue Ocean Strategy?	4	6 Paths Framework	11
Red vs Blue Oceans	5	3 Tiers of Noncustomers	13
Value Innovation	6	Buyer Utility Map	15
Strategy Canvas	8	Blue Ocean Practical	17
Four Actions Framework	10	Introduction™	
		Contact us	24

What is Blue Ocean Strategy?

Blue ocean strategy is the simultaneous pursuit of differentiation and low cost to open up a new market space and create new demand. It is about creating and capturing uncontested market space, thereby making the competition irrelevant. It is based on the view that market boundaries and industry structure are not a given and can be reconstructed by the actions and beliefs of industry players.



Red Ocean vs Blue Ocean Strategy

Red Ocean Strategy

VS

Blue Ocean Strategy

Compete in **existing** market space.

Beat the competition.

Exploit **existing** demand.

Make the value-cost trade-off.

Align the whole system of a firm's activities with its **strategic choice of differentiation or low cost.**

Create **uncontested** market space.

Make the competition **irrelevant.**

Create and capture **new** demand.

Break the value-cost trade-off.

Align the whole system of a firm's activities in **pursuit of differentiation and low cost.**

Value Innovation

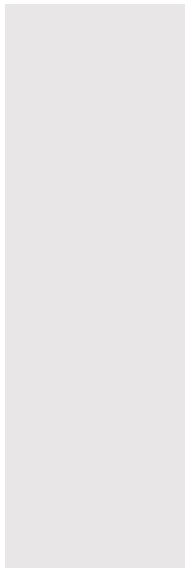
Value innovation, the cornerstone of blue ocean strategy, is the simultaneous pursuit of differentiation and low cost, creating a leap in value for both buyers and the company.

Because value to buyers comes from the offering's utility minus its price, and because value to the company is generated from the offering's price minus its cost, value innovation is achieved only when the whole system of utility, price, and cost is aligned.

Break the value-cost trade-off by answering the following questions:

- Which of the factors that the industry takes for granted should be **eliminated**?
- Which factors should be **reduced** well below the industry's standard?
- Which factors should be **raised** well above the industry's standard?
- Which factors should be **created** that the industry has never offered?

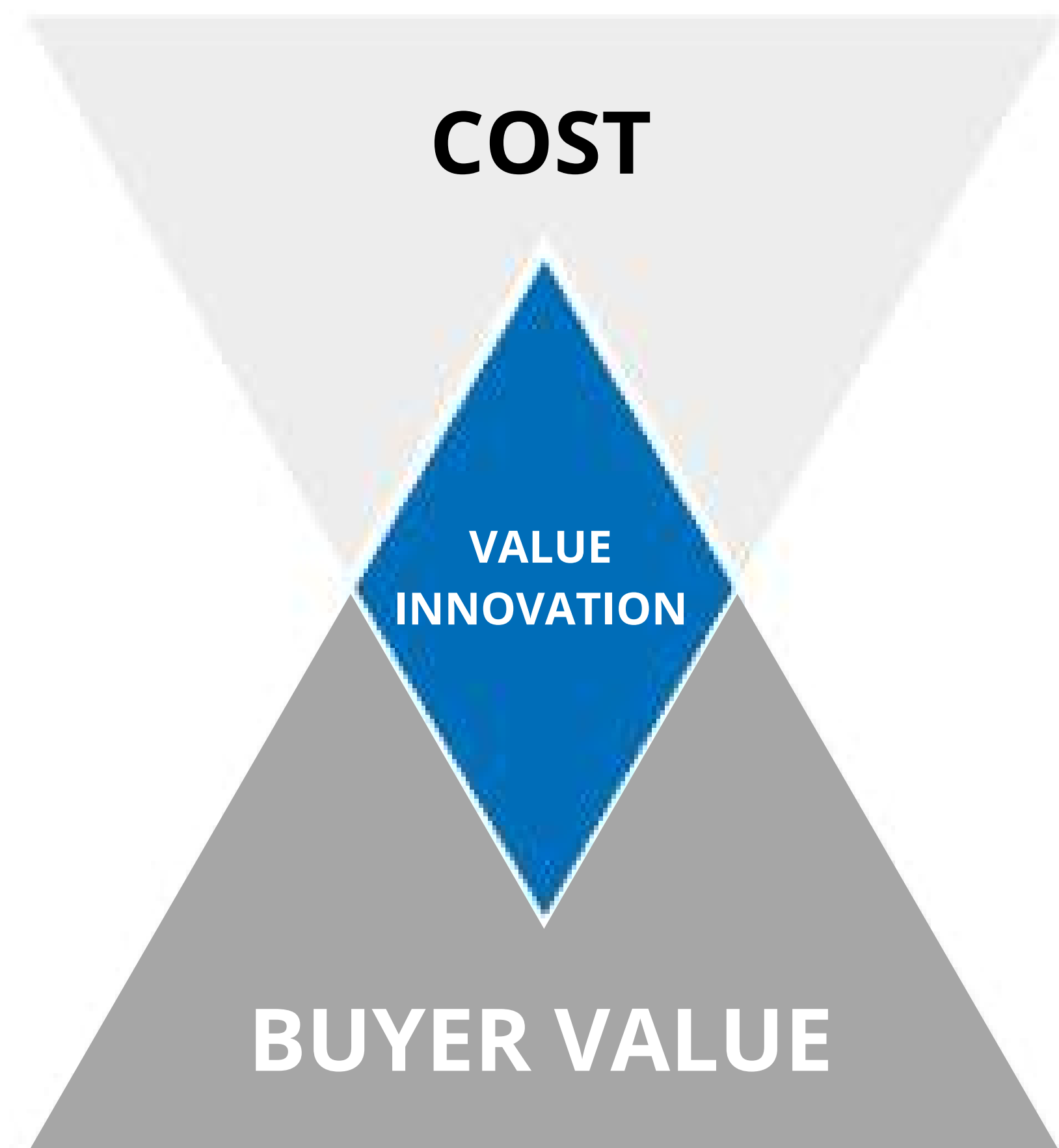
Value Innovation



Cost savings are made by eliminating and reducing the factors an industry competes on.



Buyer value is lifted by raising and creating factors the industry has never offered.



Strategy Canvas

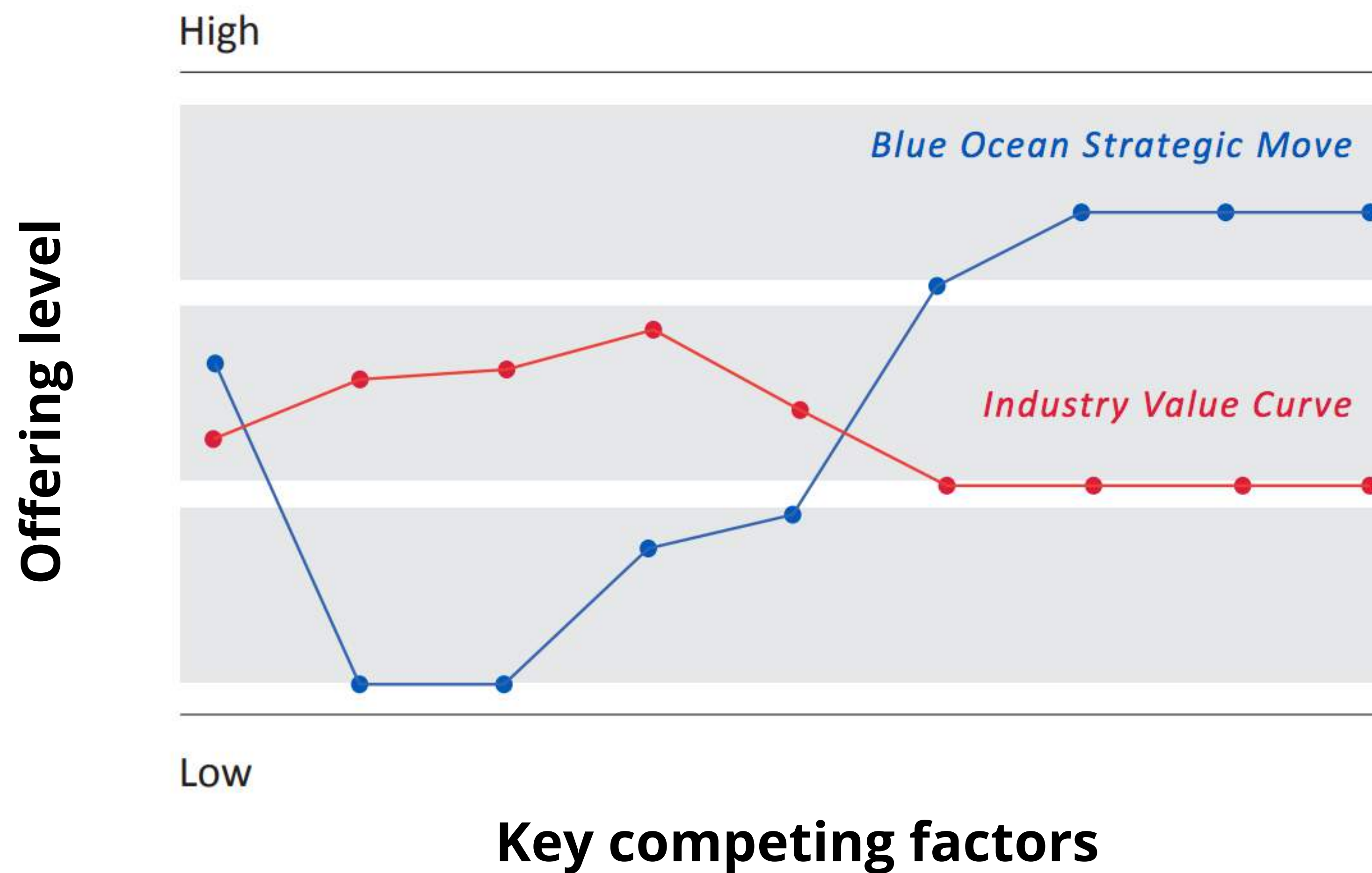
The strategy canvas is both a diagnostic and an action framework for building a compelling blue ocean strategy. The horizontal axis captures the range of factors that the industry competes on and invests in, while the vertical axis captures the offering level that buyers receive across all of these key competing factors.

The strategy canvas serves two purposes:

- To capture the current state of play in the known market space, which allows users to clearly see the factors that the industry competes on and where the competition currently invests and
- To propel users to action by reorienting focus from competitors to alternatives and from customers to noncustomers of the industry

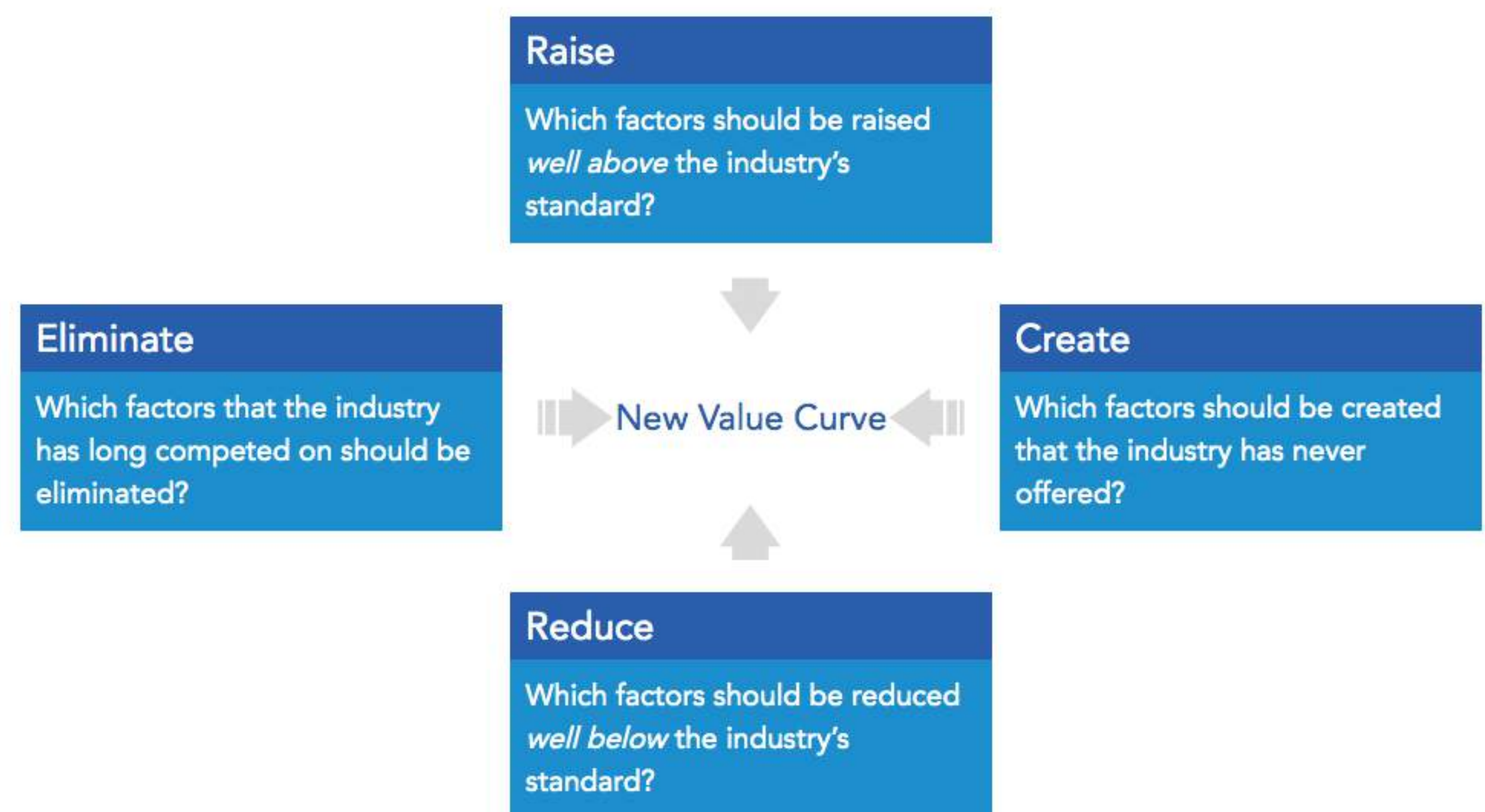
The value curve is the basic component of the strategy canvas. It is a graphic depiction of a company's relative performance across its industry's factors of competition. A strong value curve has focus, divergence as well as a compelling tagline.

Strategy Canvas



Four Actions Framework

The Four Actions Framework is used to reconstruct buyer value elements in crafting a new value curve. To break the trade-off between differentiation and low cost and to create a new value curve, the framework poses four key questions, shown in the diagram, to challenge an industry's strategic logic.



Six Paths Framework

The Six Paths Framework allows managers to address the search risk many companies struggle with. It enables them to successfully identify out of the haystack of possibilities that exist, commercially compelling blue oceans by reconstructing market boundaries.

There are six basic approaches to reconstructing market boundaries. These paths challenge the six fundamental assumptions underlying many companies' strategies that keep companies trapped competing in red oceans.

The table outlines these six basic assumptions and the pathway managers can take to break away from head-to-head competition towards blue ocean creation.

The six paths have general applicability across industry sectors. None of the paths requires special vision or foresight about the future. All are based on looking at familiar data from a new perspective.

Instead of looking within the accepted boundaries of competition, the Six Paths Framework allows managers to look systematically across them to create blue oceans.

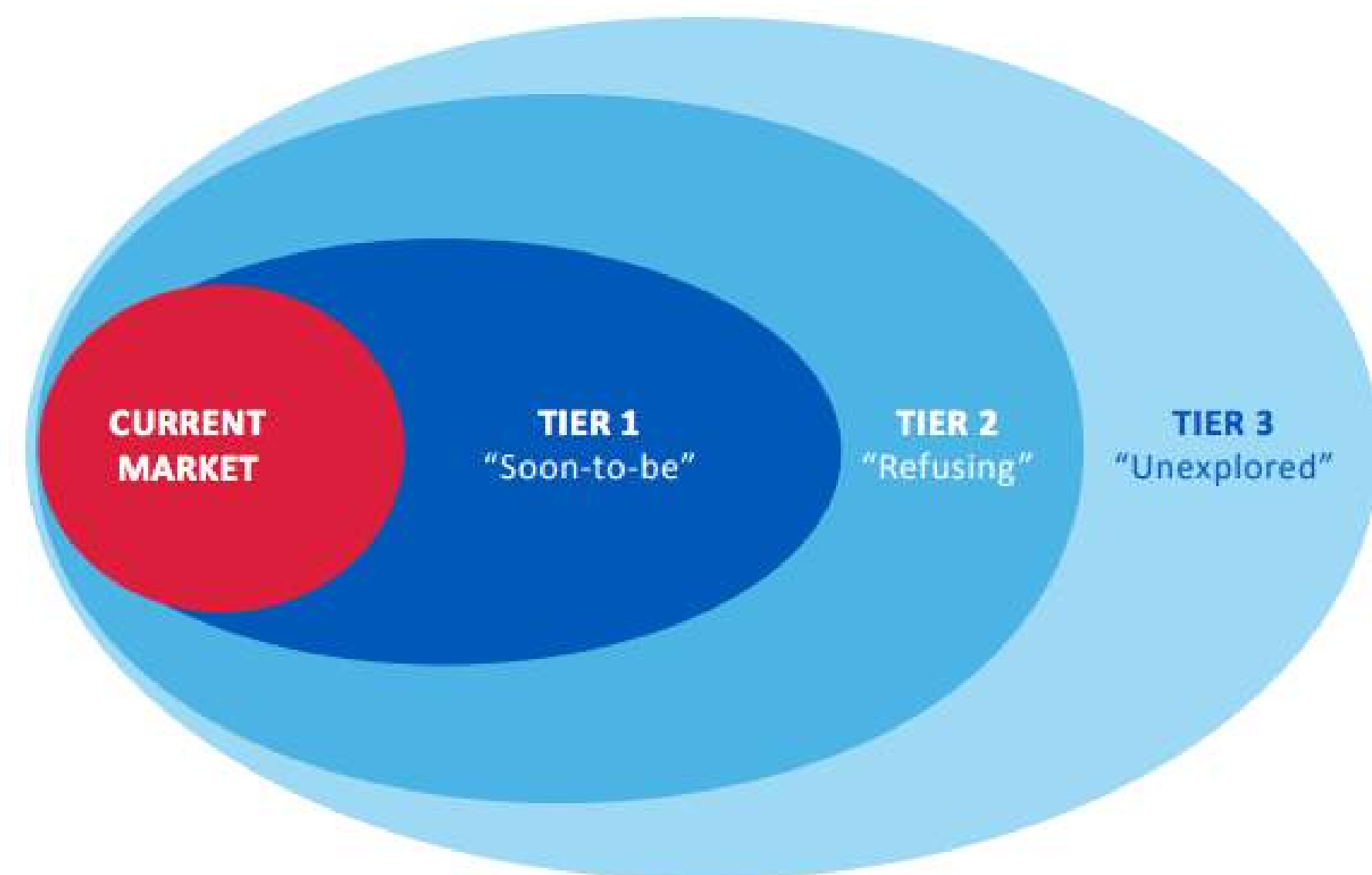
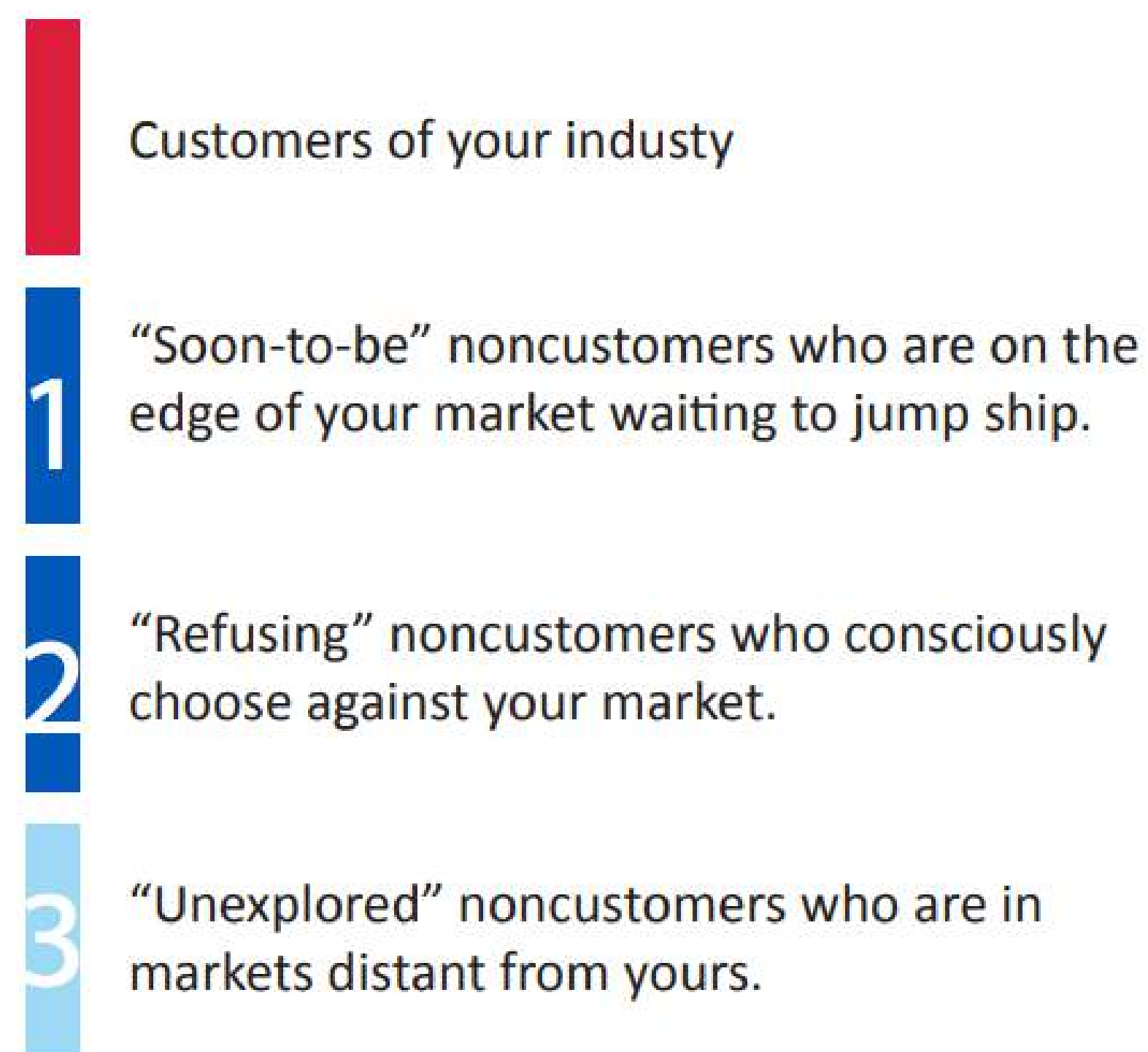
Six Paths Framework

From Head-to-Head Competition to Blue Ocean Creation

	Head-to-Head Competition	Blue Ocean Creation
Industry	Focuses on rivals within its industry	Looks across alternative industries
Strategic Group	Focuses on competitive position within strategic group	Looks across strategic groups within industry
Buyer Group	Focuses on better serving the buyer group	Redefines the industry buyer group
Scope of Product or Service Offering	Focuses on maximizing the value of product and service offerings within the bounds of its industry	Looks across to complementary product and service offerings
Functional-emotional Orientation	Focuses on improving the price performance within the functional-emotional orientation of its industry	Rethinks the functional-emotional orientation of its industry
Time	Focuses on adapting to external trends as they occur	Participates in shaping external trends over time

3 Tiers of Noncustomers

There are three tiers of noncustomers that can be transformed into customers. They differ in their relative distance from the current market.



3 Tiers of Noncustomers

The first tier of noncustomers is closest to the current market, sitting just on the edge. They are buyers who minimally purchase an industry's offering out of necessity but are mentally noncustomers of the industry.

They are waiting to jump ship and leave the industry as soon as the opportunity presents itself. However, if offered a leap in value, not only would they stay, but also their frequency of purchases would multiply, unlocking enormous latent demand.

The second tier of noncustomers is people who refuse to use your industry's offerings. These are buyers who have seen your industry's offerings as an option to fulfill their needs but have voted against them.

The third tier of noncustomers is farthest from your market. They are noncustomers who have never thought of your market's offerings as an option.

By focusing on key commonalities across these noncustomers and existing customers, companies can understand how to pull them into their new market.

Buyer Utility Map

The Buyer Utility Map helps to get managers thinking from a demand-side perspective. It outlines all the levers companies can pull to deliver exceptional utility to buyers as well as the various experiences buyers can have with a product or service. This mindset helps managers identify the full range of utility spaces that a product or service can potentially fill.

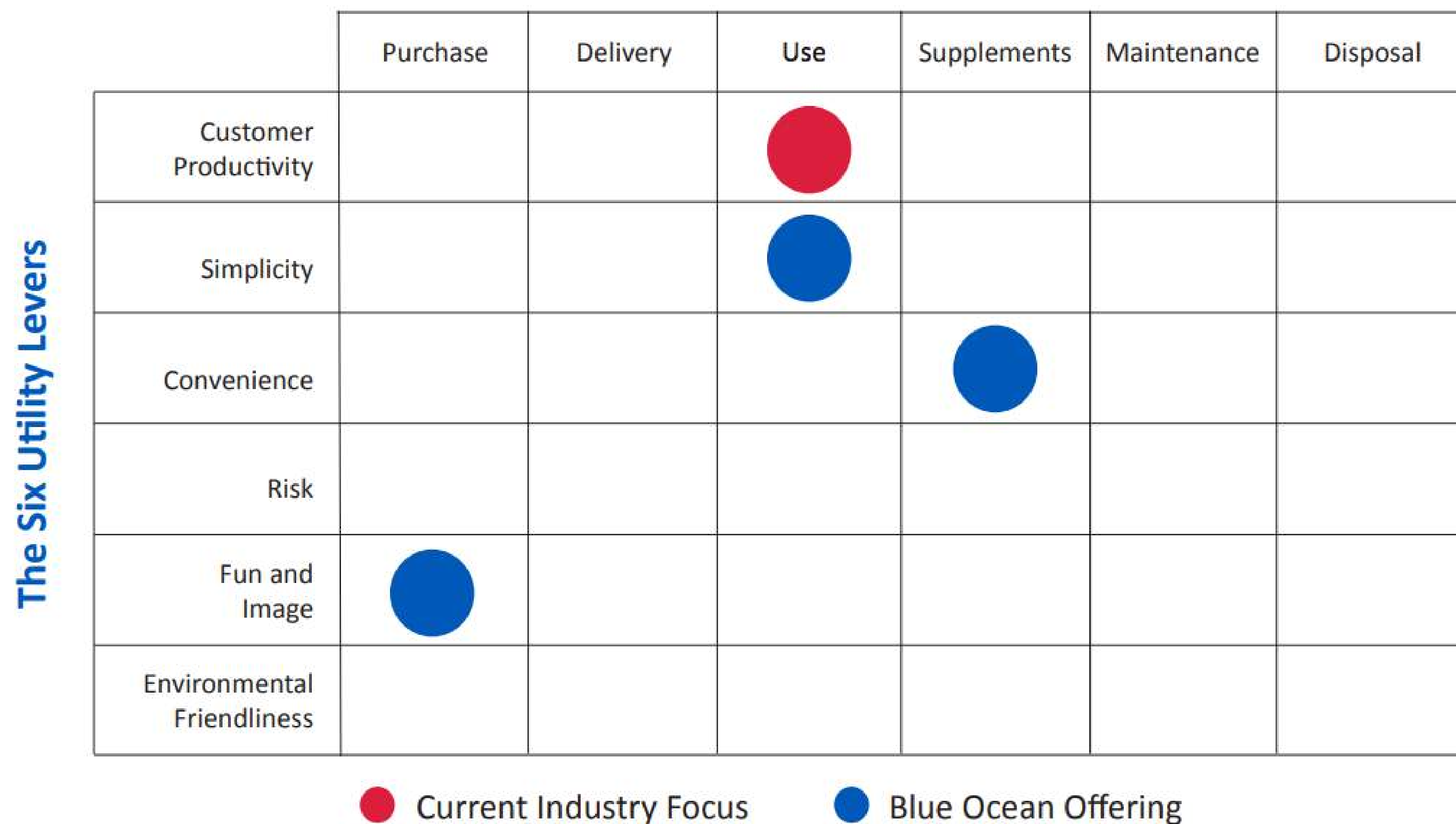
The Buyer Experience Cycle (BEC): A buyer's experience can usually be broken into a cycle of six stages, running more or less sequentially from purchase to disposal.

Each stage encompasses a wide variety of specific experiences. Purchasing, for example, might include the experience of browsing Amazon.com as well as the experience of pushing a shopping cart through Wal-Mart's aisles.

Utility levers: Cutting across the stages of the buyer's experience are what we call utility levers – the ways in which companies unlock utility for buyers. Most of the levers are obvious. Simplicity, fun and image, and environmental friendliness need little explanation.

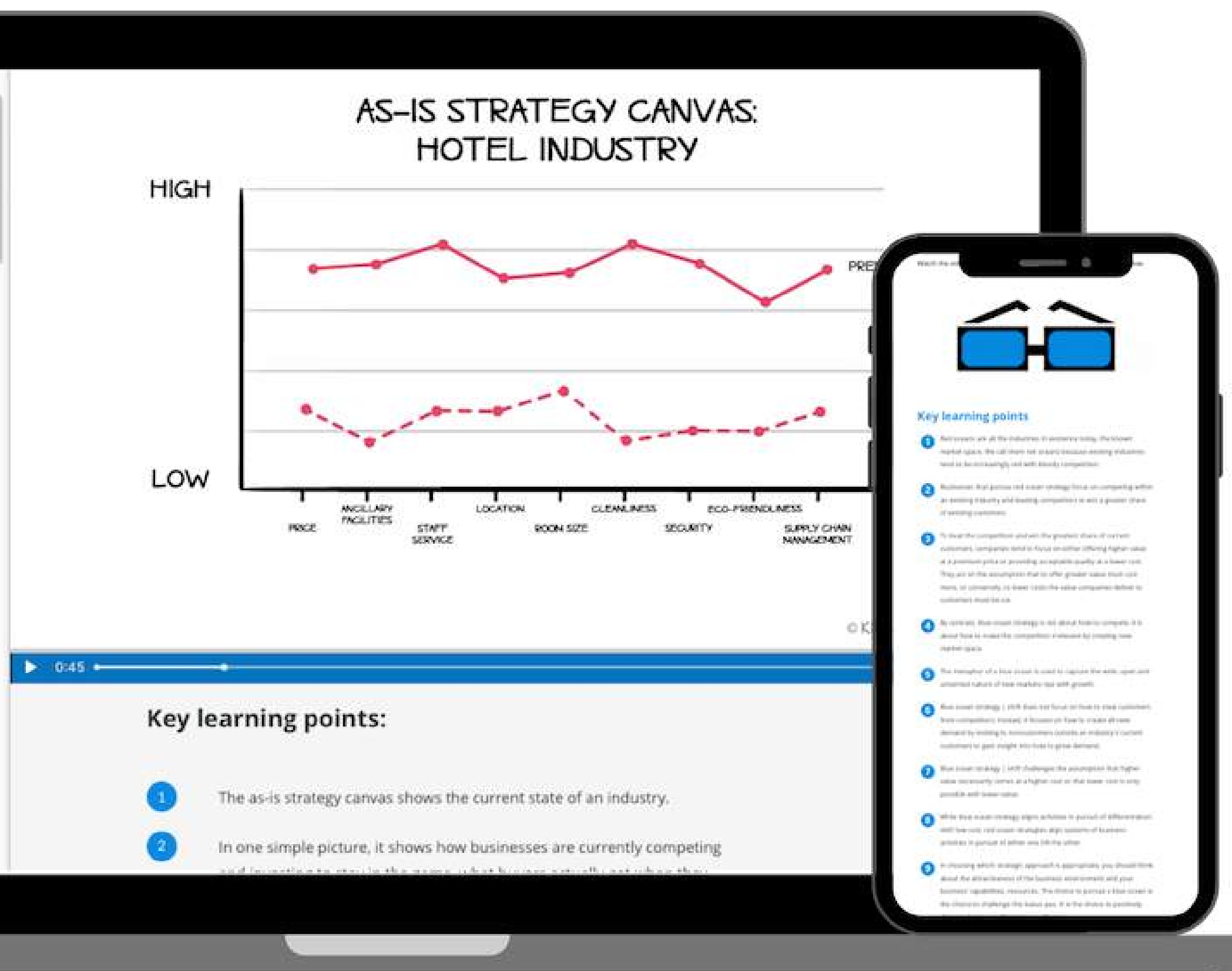
Buyer Utility Map

The Six Stages of Buyer Experience Cycle



Blue Ocean Practical Introduction™ Online Course

Are you interested to learn more about the blue ocean tools and see how companies applied them?



The [Blue Ocean Practical Introduction™](http://blueoceanstrategy.com) online course dives into blue ocean tools and concepts to show you how you can:

- reorient your perspective from focusing on the competition to understanding where blue ocean opportunities reside
- shift focus from existing customers towards noncustomers, creating new demand for your product or service
- create a leap in value for buyers while keeping the costs low
- And lots more!


Blue Ocean Online Course Curriculum



Module 1
Blue Ocean Creativity

In this module:

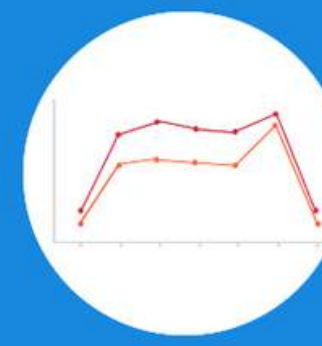
- We'll introduce you to blue ocean creativity, a systematic process of new market creation.
- You will take a short assessment to check whether you are swimming in a bloody red ocean of competition.



Module 2
Shifting to a Blue Ocean Perspective

In this module:


- You will learn **the fundamental differences between red ocean and blue ocean strategy**.
- You will understand how shifting your focus from existing customers and existing industries towards noncustomers and new demand will start you on the path to creating new market space that will make the competition irrelevant.



Module 3
Visualizing Your Strategic Reality

In this module:


- You will learn the concept behind, and the power of, the **as-is strategy canvas**, one of the key tools of blue ocean strategy.
- It will give you an overview of the current state of play in your target industry and show you in a simple picture the assumptions the industry acts on that you can later overturn and the degree of competitive convergence across existing players.
- You'll have a baseline to assess new ideas against.



Module 4
Discovering Hidden Pain Points

In this module:

- You'll focus on the **buyer utility map**, a blue ocean tool to identify the specific pain points buyers face and identify concrete solutions that remove these blocks to utility.
- You'll see how the buyer utility map can help you unlock hidden value to create new demand.



Module 5
Looking Beyond Existing Demand

In this module:

- You'll explore the concept behind the **three tiers of noncustomers**.
- By understanding the three tiers, you will gain insight into how to identify real opportunities and unlock new demand by identifying both who fall in each tier and the commonalities within and across the tiers.



Modules 6
Reconstructing Market Boundaries – Part I

In this module:

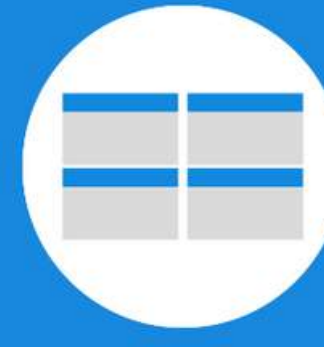
- You'll learn about the **six paths framework**, a powerful tool that anyone can apply to reconstruct market boundaries and re-examine the familiar from a new perspective.
- You'll discover how to distill key insights for creating blue oceans by applying the first two paths of the framework.
- You'll achieve this by looking across industries (path one) and looking across strategic groups (path two).



Module 7
Reconstructing Market Boundaries – Part II

In this module:

- You'll learn more about the **six paths framework** and how to shift your perspective to look across boundaries.
- Here we'll explore the remaining paths that you can apply to systematically reconstruct market boundaries.



Module 8
Developing Alternative Blue Ocean Moves

In this module:

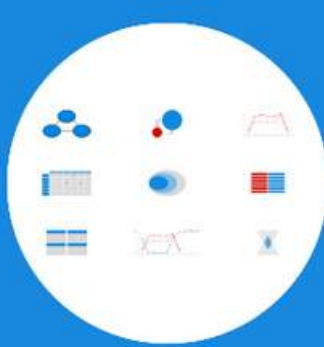
- You'll learn how you can simultaneously create a leap in value for buyers while keeping costs low in building your blue ocean move.
- You'll be introduced to the cornerstone of blue ocean strategy - what we call **value innovation**.
- To achieve this, we'll introduce you to two powerful tools – the **four actions framework** and its companion, the **eliminate-reduce-raise-create (ERRC) grid**.



Module 9
Communicating Your Blue Ocean Move

In this module:

- You'll gain insight into successful strategy formulation and execution.
- You'll learn how to use the **to-be strategy canvas** to effectively communicate and secure group buy-in during strategy formulation and execution.



Module 10
Make Your Blue Ocean Move

In this module:

- You'll get a summary of everything you've learned on the course.



Apply blue ocean thinking to your business and set yourself on the path to profitable growth.

Enroll now

"I found this course EXTREMELY POWERFUL"



You're in great company

People from these organizations (and many more) took the course and set sail towards a blue ocean.



Testimonials

"Overall, I found this course extremely powerful, yet simple. It will help shift my thinking from Red Ocean to Blue Ocean and I look forward to applying it to my daily life."

"Absolutely valuable, informative and extremely insightful"

"Clear strategy, concise cases, helpful quizzes, great graphics."

"The short case vignettes and follow up quiz were an easy way to drive home the basics of each concept quickly. The corresponding book references were helpful as well."

"The video illustrations helped keep interest and the content was seamlessly delivered."

"I loved the structure and simplicity."

Average customer satisfaction rating: 4.8/5



Contact

Got questions? Please contact us at:

hello@blueoceanstrategy.com

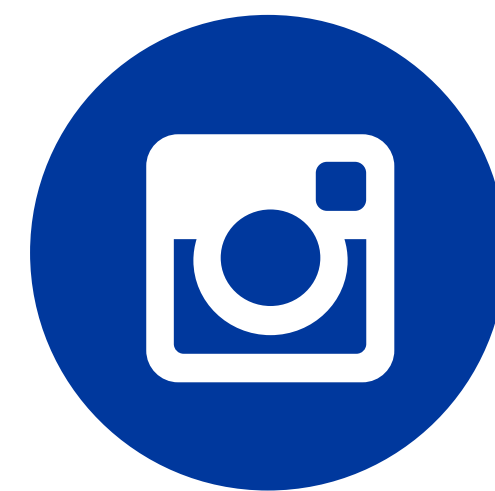
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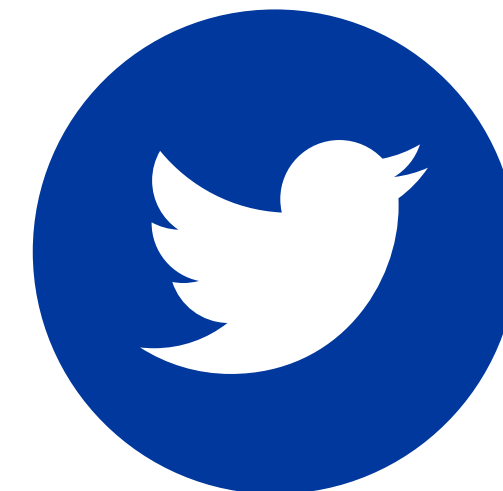
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