# Strategy & Business Fundamentals 26<sup>th</sup> Aug 2024, Session 8

- matching an unmet customer need with your unique ability to serve to create all around value

- an integrated set of choices, including what not to do

### **Strategy**

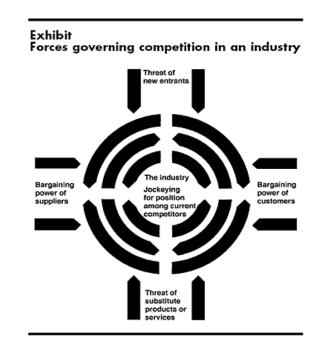
matching an unmet customer need with your unique ability to serve to create all around value

- **Business**
- An Organization that creates, delivers, captures and sustains/grows value

- an integrated set of choices, including what Business model show the logic of how a not to do
- company intends to make money
  - ✓ A blueprint for a strategy to be implemented through organizational structures, processes, and systems



- The Economic Environment
- Competitive Environment
  - Cutting Edge Products
  - Speed to Market
  - Workforce Advantage
- Technological Environment
- Social Environment
- Global Environment



Source : Michael Porter, Competitive Framework



#### Strategy is...

 An integrated set of hard-to-reverse choices

#### **Strategy is not...**

- A vision, goal or ambition
- Many choices
- Reversible choices



 Made ahead of time in the face of uncertainty

• Deterministic future



 To create and capture economic profit

- To gain a few points of market share
- To beat only your competitor

## Strategy is Challenging



Strategy is...

An integrated set of hard-to-reverse choices

It is challenging because...

Truly strategic choices require deep commitment and you have to make bold trade-offs



Made ahead of time in the face of uncertainty

You must get ahead of fundamental trends and navigate toward a highly uncertain future



To create and capture economic profit

Market forces are always at work to neutralize advantages and erode economic profit

## What Strategy really is?

- 1. Will your strategy beat the market?
- 2. Does your strategy tap a true advantage?
- 3. Does your strategy put you ahead of trends?
- 4. Does your strategy rest on privileged Insights?
- 5. Is your strategy granular about where to compete?
- 6. Does your strategy embrace uncertainty?
- 7. Does your strategy balance commitment and flexibility?
- 8. Is your strategy contaminated by bias?
- 9. Is there conviction to act on your strategy?
- 10. Have you translated your strategy into an action plan?

## Value Chain for an Established Business

Human resourc	es management	Personnel,	Personnel, lay recruitment, training, staff planning etc.		
Product and te	chnology developn	nent Product and market test	d process design, produc ing, R&D	tion engineering,	
Procurement		Supplier ma	anagement, funding, sub	contracting, specificat	
Inbound logistics	Operation	Outbound logistics	Sales & marketing	Servicing	
Examples: quality control; receiving; raw materials control; supply schedules	Examples: manufacturing; packaging; production control; maintenance	Examples: finishing goods; order handling; dispatch; delivery; invoicing	Examples: customer management; order-taking; promotion; sales analysis; market	Examples: warranty; maintenance; education and training; upgrades	

Credit: Anand Kusre